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RELATIONS BETWEEN FRANCE AND GERMANY

A REPORT BY

HENRI LICHTENBERGER

Professor at the Sorbonne

Upon his investigation of conditions in Germany made at the invitation of the
European Bureau of the Division of Intercourse and Education
of the Carnegie Endowment for International Peace



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FOREWORD

It is greatly to be hoped that this English version of Professor Lichtenberger's striking report on present political and social conditions in Germany will be widely read and pondered in the United States and throughout the British Empire. It is the sincere effort of a judicious and well-informed scholar to assist in laying the basis for a new and better understanding of the German people of today.

The War is over, although that fact and its logical consequences are not accepted by many persons in many lands. The time of destruction has passed, and the time for construction has begun. The new world, of which the heart of man is in search, has not yet come above the horizon. This new world can only be brought into view if there be a more complete understanding of the facts of political, social and economic conditions as the War has left them, and if there be a larger measure of human sympathy and of Christian charity for those of other political, social and economic views than our own, as well as for those who, though holding views like ours, find their lot cast under wholly different conditions.

The hope expressed toward the close of Professor Lichtenberger's report, has not yet been fulfilled. On October 29, 1922, the Reparation Commission met at Berlin to consider with the German Government the financial and economic situation in all its aspects. The meeting was in large part futile, since the German Government was not able to offer a definite and constructive plan for dealing with the situation that exists. At once, however, there took place the union of the Independent Socialists and the Majority Socialists prophesied by Professor Lichtenberger; but the influence of this union was short lived, since it was impossible to effect a sufficiently broad coalition to include the Populist party. Thereby a political crisis was precipitated which resulted in the fall of the Wirth government on November 14, 1922. The present Cuno government, supported largely by the great industrial interests, openly placed itself in sharp opposition to the demands of France.

The events that followed need no emphasis. After the conference of the premiers at London on December 9 and 11, 1922, and the conference at Paris on January 2, 1923, had brought no satisfactory results, the French began the occupation of the Ruhr Valley on January 11. On January 26 the Reparation Commission declared Germany in general default as to the performance of her obligations to France and Belgium, and the London schedule of payments as fixed May 5, 1921, to be again in force. This declaration gave full effect to Paragraph 17, Annex II, of the Treaty of Versailles, and practically removed all restrictions on the liberty of action on the part of France and Belgium in dealing with the Ger-

man Government except such as are imposed by international law and the humane considerations recognized by all civilized peoples.

There is, however, present ground for hope that at no distant day a substantial agreement will be arrived at between the French and German governments, and thereby a long step taken toward the restoration of those normal political, social and economic conditions upon which alone the permanent peace of the world can safely rest.

It is not easy to accept the point of view of another people, particularly if it be one with which we have recently been at war. Nevertheless, it is incumbent upon intelligent Americans in particular to make every effort to gain a correct understanding of the conditions that now exist in Germany following what we hope and believe was the final downfall of the Hohenzollern dynasty and those policies which it represented and enforced.

NICHOLAS MURRAY BUTLER,
Director.

NEW YORK,
May 1, 1923.

INTRODUCTION

In an earnest effort to contribute to better international understanding, the Carnegie Endowment for International Peace invited a Frenchman to go to Germany on its behalf to report upon the present crisis there. Henri Lichtenberger, professor of German literature at the Sorbonne, an Alsatian patriot of distinction, accepted the Endowment's invitation to undertake this investigation. His report summarizes the conclusions reached after an exchange of many personal views, by conversation and by letters between himself and numerous individuals of all conditions in Germany.

Needless to say Professor Lichtenberger has written this work in a purely scientific spirit. He was requested to search for the exact truth and to state it fearlessly so that his story, published as the first number of the series of investigations to be made under the auspices of the Musée Social and to be widely circulated, might help to enlighten and clarify public opinion.

The period of the War was not without its difficulties for the work of the Carnegie Endowment for International Peace. Those difficulties are now safely passed. Before the outbreak of the War the Endowment's efforts were chiefly directed toward increasing the sum of human knowledge as to the causes, conduct and results of past wars and particularly as to methods of conciliation and arbitration by which serious international differences might be adjusted without resort to violence which must inevitably be disastrous for the victors as well as for the vanquished.

The Endowment understood that its preventive efforts were especially needed in countries where the spirit of militarism was most menacing. As the danger of the outbreak of war became more imminent and more localized, it was upon Germany that the Endowment centered its efforts. Every encouragement was given to Germans who honestly upheld the ideals of the Endowment and who were glad to give their aid to bring about by mutual concessions a Franco-German reconciliation upon which the peace of the world depended. The Endowment realized the grave significance of the attitude of Jaurès which was eventually to result in his assassination. It was the duty of the Endowment to search out pacifist forces at the service of justice and to sustain them and this it did methodically not only in Germany but throughout the world. It would have been well if this work had been better comprehended and assisted. No reproach can attach to those earnest patriots who endeavored to prevent the World War and will endeavor to prevent war in future. As a Frenchman faithful to my country, I am proud of having contributed to some extent in these efforts of the Endowment. They did not prevent the outbreak of the War in 1914, which was a severe blow to our hopes. But this is no reason why we should give up our ideals and should

not continue to work even harder for their attainment. The War was not inevitable. It might have been and ought to have been avoided. It can not be that this War, whose principal object was stated to be the end of all war, has failed and has only intensified the hatred and feeling of revenge between France and Germany because of Alsace-Lorraine.

During the progress of the War the Endowment remained faithful to its ideals, exerting all its influence to bring about the triumph of justice whereby the spirit of violent aggression should be overthrown for all time. The letters exchanged between the European Bureau and the offices at New York and Washington from 1914 to 1919 will some day reveal to what degree the ardent appeal made by the European Bureau for unity of action among free peoples may have contributed to impart to the people of America an understanding of its duty to defend not only France and her Allies but the civilization of humanity.

The United States Government has not yet shown willingness to place unreserved confidence in the League of Nations. The New World is not ready to accept blindly the project of a world organization which must inevitably be imperfect at the outset. The principle of an Association of Nations which is as much an American as a French or other national ideal has never been repudiated by the Endowment, which looks forward to the time when a general agreement between the New World and the Old may gradually be reached through mutual concessions. In the meantime the Endowment's work proceeds.

But Franco-German antagonism continues as in the past to represent one of the greatest dangers to a durable peace. At the beginning of 1922, Professor Henri Lichtenberger was charged with the duty of going to Germany to investigate conditions there and to report upon them. This report is so clearly written that it may be summed up in a few words although it bears upon the most complex and the most intricate situation in the world. It is clear because it is sincere. Written by a Frenchman it can not be suspected of partiality for the Germans; being the work of a true savant and a man of broad sympathies it is pervaded with the obvious desire to enlighten minds, to dispel from them the dangerous confusion and the ignorance in which they struggle and from which they must one day emerge upon common ground. The author is certainly not an optimist, but neither does he despair. He refuses to accept hatred and war and anarchy and the end of the world as natural and inevitable conclusions of the governmental activity of our time. He makes no special plea, he utters no recriminations. He is unaffected by the heat of passions. He simply presents the facts and submits his conclusions not only to France but also to the United States, to England, even to Germany, since truth applies not only to France but to the entire world and since the reestablishment of peace is only possible through the demobilization of hatreds, particularly the hatred between France and Germany. In his opinion the means for bringing about world peace must be found in Germany.

His report takes up briefly the origins of the War and their relation to historic lack of sympathy between France and Germany. He goes on to relate the

distressing causes of even much more serious disagreements which the War, far from removing, has multiplied between the two countries. He then describes the present acute situation. He shows France living in the expectation of the fulfilment of the Peace Treaty and threatened more than any other country by its non-fulfilment. In a word, peace is impossible and war always to be feared in this period of uncertainty, recriminations, demands and resistance.

Professor Lichtenberger then tries to guide us through the labyrinth of the internal life of Germany since the War. He follows the course of the Revolution, the attempts at collaboration by the middle parties, the suppression followed by the return of the parties of the Right and the appeals to hatred, fanaticism, assassination and revenge. He has interviewed the great magnates of industry, gauged the weakness of the government and foreseen the successive crises which complicate and aggravate each other. Passing from the struggle between men to the object of such struggle, he faces clearly and without embarrassment the controversy over the responsibility for the War, taking into consideration the German points of view. He draws no conclusions, he simply expounds the two points of view and emphasizes their irreconcilability which daily becomes more marked and less possible of conciliation.

In view of these problems, the solution of which has become a question of life and death for the world, he emphasizes the dissension among the Allies as a greater evil than all the other difficulties of which it is the principle cause. Germany, still blind and unchanged in character, believes it possible to exploit this dissension just as before the War she believed it possible to take advantage of the general lack of preparedness. Instead of learning the lesson of the War the Germans think of nothing but stirring up new causes of misunderstanding in the world crisis caused by them. Their former hostility against Russia is now changed into a hope for some new triple alliance. The problem of reparations, bankruptcy, the collapse of the mark and the disconcerting juxtaposition of poverty and prosperity in Germany and finally the crisis of the present moment are studied by Professor Lichtenberger as the physician diagnoses a complex illness which is steadily growing worse and which threatens to infect the whole world. There is no question of the usefulness of such a work of research.

Professor Lichtenberger's book has not been written to please but to be useful. In the coming year it will be followed by a complete series of studies on the state of all present activities in Germany, written and published under the auspices of the Musée Social of Paris. This series will be closed as it has now been opened with a volume written by Professor Lichtenberger which will serve as a sequel to this one.

It is unlikely that our prewar convictions will be greatly modified. France needs to carry on unmolested her national life of labor, civic order and peace, which in turn will insure the future of the world. France can not remain in arms indefinitely, always on the alert, the foremost sentinel of a world constantly in

dread of new wars. France would receive the first shock of a new war a thousand times more destructive than all previous wars, considering the stupendous progress of military science, particularly along chemical and aeronautical lines. Therefore it is essential for the future of civilization itself that the allies of France should not abandon her and this for their own sakes. It is the union of the Allies that was our aim before the War and it is that reunion which we must now establish in the midst of the ruins in which the War has left us. We understand that we have no interest in the weakening of Austria and Hungary any more than we have of Bulgaria and Turkey. As for Germany, it is harder for us to reach the same conclusion because we have suffered more from Germany and she ought as far as possible to rebuild the ruins wrought by her. But we do not wish to destroy Germany, our debtor and our neighbor. We can not colonize Germany, it would be foolish for us to desire this as such an effort would injure ourselves. Germany then must live. There are many more difficulties to surmount than in prewar times. We must not consider a new war as inevitable. We must work all the harder to avoid it and to succeed in this we must find a means of resuming with Germany a normal relationship which will be to her interest, to our interest and to the interest of the whole world.

D'ESTOURNELLES DE CONSTANT.

PARIS,

November 26, 1922.

AUTHOR'S PREFACE

This book is a preface to the inquiry on the Germany of today, instituted by the Musée Social, the first volumes of which will be issued at the beginning of 1923. This inquiry, undertaken free from any political or social prejudice or any idea of propaganda, has been entrusted to experts residing in Germany on account of their occupations, or keeping in direct contact with Germany by frequent visits. They will endeavor to tell us with entire objectivity what they have personally observed and verified. Under these conditions it will readily be understood that I am less anxious, in these pages, to offer solutions—those must follow the inquiry, not precede it—than to present the problems and emphasize their essential aspects. I have tried to sketch the psychology of the Franco-German relations, to describe the evolution of an antagonism which is a permanent danger for universal peace and is steadily weighing more heavily on the whole of European life. I have endeavored to make the French point of view intelligible for foreigners, but particularly to describe as faithfully as possible for the French public the German point of view. In reading this book, it will be well to bear in mind that most of the time I set forth theories—which are not my own—quite impartially and generally in the very words in which they are expressed in newspapers or books and that I have confined myself to reproducing them in the most striking manner and without criticizing them. I shall have attained my aim if the reader, after following me, realizes what the Germans of today think and feel and how they react when faced by contemporary events. What makes the great danger of the present situation is the mutual ignorance, the deep distrust which prevails between the French and Germans and which is envenomed by all the disputes that arise between them. To make the relations less strained between the two peoples the first thing to do is to lead them to understand each other better. My only ambition is to contribute to this mutual understanding which is the foremost condition of any conciliation and without which it would be difficult to solve the formidable practical problems which now face France and Germany.

It does not seem to me useful to give here the bibliography of the questions which I treat; the reader who wishes to refer to the German publications can easily obtain some of the extensive general works issued lately, among which may be cited particularly the *Handbuch der Politik*.¹ I owe much to a series of French collective publications, such as the *Documents of the War* (Armand Colin), the *Reports of the Foreign Press*, published by the Foreign Office, the *Report of the German Press*, founded at Strasburg by Dr. Pierre Bucher, the *Report of Economic*

¹ 5 vols., Berlin and Leipzig, 1920-22.

Information of Coblenz, the publications of the Society for Economic Studies and Information, etc.

Lastly, it is an agreeable duty to express here my profound gratitude to the Carnegie Endowment and to the President of its European organization, Senator d'Estournelles de Constant, who entrusted me at the beginning of this year with a mission in Berlin, for having afforded me an opportunity to come into direct contact with the Germany of today and to gather the impressions which I have included in this volume.

H. L.

PARIS,

November 11, 1922.

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RELATIONS BETWEEN FRANCE
AND GERMANY

CHAPTER I

FRANCO-GERMAN ANTAGONISM

BEFORE THE WAR

In order to understand the present day problem of Franco-German relations it is necessary to go back to the period which immediately preceded the War and to see how this problem was regarded both in France and in Germany. To understand the state of tension existing between these two countries at that time and the feeling of bitter animosity which persisted even in the absence of any serious crisis, we must start out with this basic fact: the prodigious growth of German power particularly during the last half century. About 1914 Germany reached the culminating point of an extraordinary ascending curve. It would be idle to attempt to recall here the progress of that rise which everyone knows. It is sufficient to state that in a great number of points on which authoritative statistics are available Germany surpassed France objectively. Germany exceeded France unquestionably in the number of her population, in her birth rate, her military force, her industrial and commercial equipment, her economic activity and her power of expansion. France could, it is true, boast of a certain superiority from the point of view of acquired riches and especially of culture. On this latter point particularly, all exact evaluation being impossible, it is difficult to pronounce an objective verdict. It is possible to note, moreover, by very clear evidence that Germany was approaching in her turn the point of saturation so far as the development of her population was concerned and that consequently her superiority from the point of view of numbers and of expansive energy could not keep on growing indefinitely. But the vital fact remained. Germany had developed more rapidly than France. Formerly France was a danger to Germany. In 1914 the reverse was the case. Germany's power had grown to such proportions that France was obliged to take precautions to avoid the danger of being reduced to a semi-vassal state in respect to her formidable neighbor.

Germany boasted loudly that this development had been attained without violence and that since the Franco-German War she had never made use of her military superiority. She concluded from this that her pacific spirit was above suspicion and that the other nations ought to recognize her "moderation" as well as her potential force. Now it is evident that the French were always skeptical about this pretension. We will ignore the delicate and complicated question as to whether peace had been preserved in certain crises by the attitude of Germany or by the prudence and energy of other nations. We recognize also that if Germany had really been determined upon war it is very improbable that she would not have found some excuse in forty years to bring it about. But after

granting this we must say that if German prewar imperialism was not in complete control it at least had full sway in the economic field. It satisfied its instinct for combat no longer on the field of battle but through industrial and commercial triumphs. It had learned that it could reach its goal by other means than by the force of bayonets. "We do not *need* to make war upon you," a representative of imperial economic Germany said at about that time to one of my compatriots. It seems therefore not quite just to speak of German "moderation". The ambitions of imperial Germany were no more moderate than those of the great conquerors of previous epochs. These ambitions did not perhaps include war but war was very readily accepted when serious obstacles were encountered and when the temptation to overcome them by war was presented.

Is it true that toward 1914 German imperialism was a deadly menace to France or, on the contrary, is it true that France was a dangerous obstacle in the path of German expansion? Was the tension in the relations of the two countries founded upon an irreconcilable antagonism which was bound sooner or later to break out into open conflict? I do not think that such was the general opinion at that time. German imperialism was much more of a menace to England than to France. German competition represented a direct and visible menace to British industry and commerce. It did not seem possible that any really grave conflict could break out soon between France and Germany. The question of Morocco, serious because it involved for us a vital interest, was virtually settled after stormy discussions. It was generally admitted that France and Germany from the economic point of view were less likely to compete with each other than to supplement each other. France could witness without envy the development of the great German industries; Germany could tolerate without anxiety the expansion of French manufactures of luxuries and of highly finished products. French opinion had begun to be disquieted by the development which German economic penetration had taken in France and feared lest France should gradually become dependent on Germany industrially and commercially, but no one dreamed of stopping this pacific infiltration by a recourse to violence! From a political point of view there existed evidently a marked contrast between democratic France and feudal and monarchistic Germany, but no one saw in this opposition of national temperaments something which might lead to an armed conflict. In fact there was not the slightest indication that the two nations were destined to enmity by a sort of fate which weighed upon them. They could, it seemed, pursue their evolution side by side without standing in each other's way and without one of them being overwhelmed by the other. What separated them principally was "imponderables".

Misunderstandings arose between them almost inevitably from their reciprocal situation. Having attained her power in a relatively recent period and justly proud of her triumphs, Germany wished that power to be recognized and respected abroad. For a long time she had been subject, because of her internal divisions, to humiliations, to disdain and to ills of all sorts which are the portion of the weak.

Now that she had achieved unity and, with unity, power, she wished to exert the influence which had come legitimately to her. The reverence that the German has for force is well known. Far from maintaining that there is antithesis between force and right he inclines always and everywhere to admit that force precedes and creates right and that consequently there is neither force without right or right without force. It is easy to imagine therefore the intensity and the depth of the pride which Germany derived from the consciousness of her successes. They meant not only success but the consecration of a sort of moral superiority. Her successes stamped the German nation not only as a happy and prosperous people but as a chosen people. Under these conditions they were offended with the French for not giving sufficient regard to the facts and for not rendering to German force the tribute of respect which was its due.

Germany and especially conservative Germany gave in general a very low estimate to the power of France. It regarded the nation as infected to the marrow with the virus of revolution, given over to Jacobites and to Socialists, condemned to governmental instability and to administrative disorder, disorganized even in its economic progress and in its military force, undermined throughout by internationalist and anti-patriotic propaganda. Germany regarded France as decadent and considered that her vitality had become too low for her to think of throwing herself openly into the adventures of world politics, that she was about to fall to the rank of a second rate power but that, too vain to admit her weakness and too impulsive to consent to necessary limitations, she was still capable of sudden outbreaks of violence and was therefore dangerous because badly adjusted at bottom and insufficiently mistress of herself. And if many Germans held a less disadvantageous opinion of our country and even felt the most sincere esteem for French culture they nevertheless always regarded us a little as the Romans of the classic period might have regarded the Greeks of the decadence. From this attitude arose the sentiment, very widespread at that time in the press and in public opinion, that France, hallucinated by her false notion of "honor", was incapable of overcoming a certain megalomania, that she could not bring herself to adopt before Germany an attitude and a policy which should correspond to the actual forces of the two countries. And this led to the perpetual suspicion among Germans that we were following a policy of revenge or of fruitless sullenness. German opinion was irritated by our efforts to constitute in Europe a group to keep a balance of power with Germany. It regarded as aggressive and provocative manifestations our adhesion to the "policy of encirclement" of Edward VII or our desperate efforts to maintain a French Army almost as large as the German Army, in spite of the difference in the population of the two countries. These attempts seemed to Germany something like the brave boast of a child who shakes his fists at an adult or who takes advantage of the latter's pleasant humor to defy him or to tease him. And when Germany, through the utterances of her public men or through her press, raised her voice or rattled the sword it was evident that this to her was the announce-

ment made to the weak by the strong that the facts must not be overlooked and that no irreparable act of foolish daring should be attempted. Naturally, matters did not present themselves in the same light to the French. For years vanquished France had submitted to the peace *imposed* by Germany and she had felt all the heavy constraint of the weight of German force. She had worked patiently to emancipate herself from this state of subjection by reconstituting her military force and by making alliances. She considered that it was her right to act thus and that her security would never be guaranteed so long as a certain balance of power was not reestablished between her and her conqueror of yesterday. However, in proportion as she approached her object she felt German apprehension rise against her. And while in Germany there developed irritation against the so-called provocative attitude of France, a parallel revolt against German arrogance was gaining strength in France. It seemed to us intolerable that Germany should assume to interpret as a plan for aggression or revenge that which was simply the resumption of our legitimate independence. It was suspected that these recriminations furnished proof that Germany desired not so much peace as hegemony. The aggressive display of her force appeared a wounding and misplaced reminder of the past. The suspicion was born among us that Germany was perhaps less pacific than she pretended to be and that to maintain her domination in Europe she would very possibly, however little pretext might be given her, renew the assault which had so well succeeded in 1870.

This state of mutual apprehension was aggravated by the fact that there existed in both countries chauvinistic elements, the importance of which it was difficult to estimate objectively, and the tendencies of which appeared to be a real danger for the maintenance of peace.

Who were the French Nationalists in 1914, what did they want and what could they do? Nothing is more difficult to define for the simple reason that it is absolutely impossible to define with any certainty where nationalism began and where it ended with us. If this designation were reserved only for those who charged Germany with following a systematically aggressive policy destined to bring about a war of revenge, we would be justified in affirming in all sincerity that their number was insignificant and their political influence practically nil. If, on the contrary, a Nationalist is one who considered that the era of pacifism and of universal disarmament had not yet arrived, who considered advisable an up-to-date army and navy, or who disapproved of a policy of willing submission, then it must be recognized that the great majority of the country was nationalistic or ready to become so at a moment's notice. It was very difficult to refute the suspicions of those numerous German observers who were inclined to consider French chauvinism as a serious danger and to estimate that the coming into power of a war party might involve grave risk. We knew beyond doubt and could affirm in absolutely good faith that *never* would French opinion follow those who might counsel it to risk a war of revenge. But we were convinced on the other hand that the whole nation would rise up to repulse either aggression or a

definite attack against its independence or its dignity. There was not among us an *offensive* nationalism susceptible of becoming a danger to Germany, but there certainly was a *defensive* nationalism which would manifest itself with intensity the day when it might be provoked by some hostile or ill-judged action.

From the German side in the same way it was rather difficult to estimate just how far the power of Pan-Germanism was real. Numerous voices were raised in Germany denying that the Pan-Germanists exercised any real influence on the decisions of the government. And as a matter of fact we understood that we could not hold either the German Government nor average German opinion responsible for the excesses in speech and in writing committed by the extreme champions of the imperialistic idea. But when we saw a powerful group headed by well-known leaders, with a definite program vehemently discussed in congresses, with political doctrines and philosophical theories which had at its disposal funds, reviews and newspapers which developed a persistent and aggressive activity, it was difficult for us to persuade ourselves that these ardent propagandists, who counted in their ranks personages of such high position, were as inoffensive as they were represented to us. We could not help asking (and the event has only too well confirmed our suspicions) whether this powerful organization was not in a position to arouse in Germany, when the opportunity might arise, a dangerous movement of opinion or even to exercise, in certain cases and apropos of certain questions, a decisive influence on the policies of the imperial government.

In addition, the question of Alsace-Lorraine poisoned all the Franco-German relationships and kept up between the two peoples a state of apprehension which constantly increased in bitterness.

The Germans, on their side, were never tired of proclaiming that there was no Alsace-Lorraine question. The Treaty of Frankfort, German publicists declared, had solemnly sealed the cession of Alsace-Lorraine and its incorporation into the German empire. It was an absolutely irrevocable fact. One might as well expect the Germans to abandon Prussia as to return territory bought at the price of so much German blood. Alsace-Lorraine, a part of the empire, was for the Germans the symbol of their reestablished unity and was regarded as the guarantee of the solidarity of their union. It was then purely visionary to imagine that Germany might ever allow discussion of an international act which was the very basis of its existence as a great power. In regard to this question there were but two alternatives for France, either war or submission. And therefore the Germans questioned why, if France did not wish war, she was so slow to recognize an accomplished fact and why she repulsed a reconciliation which would assure the peace of the world?

On the French side no one dreamed of a war of revenge to get back Alsace-Lorraine. But neither could anyone ignore the fact of the annexation of Alsace-Lorraine. The manner in which the Germans had acted at the conclusion of the Treaty of Frankfort and continued to act in the annexed countries appeared to us as the very negation of justice and of right as we conceived it. The French

could not ignore the fact that Germany had in 1870 seized Alsace-Lorraine in spite of the indignant protests of the inhabitants and that she had held these provinces under her domination in spite of their obstinate resistance; nor could they ignore the fact that she persisted firmly in denying the autonomy which they demanded. The affair at Saverne had just made manifest to all Europe that, notwithstanding German claims to the contrary, the Alsace-Lorraine question was still very much alive. The inhabitants too of Alsace-Lorraine, after forty years of German occupation, continued to feel that they were unreasonably molested and oppressed. In order to admit the German point of view it would have been necessary for us not only to forget the past but to close our eyes to the present. This the French conscience could never persuade itself to do, however great might have been the advantages of a reconciliation with Germany.

And that was not all. The attitude of the Germans in Alsace-Lorraine appeared to us symbolical of a German mentality to which we were immutably hostile. It was not only in our own lost provinces but also in Poland and in Schleswig that the Germans manifested a cold resolution to retain and to subdue the populations which they had not been able to assimilate and to domineer over unwilling peoples. We must add that German unity, after the failure of the idealistic attempt of 1848 to create the empire through liberty and cooperation with other nations, had been realized through military force and by the conquest of Germany by Prussia. It therefore appeared to us beyond question that the Germans professed for the policy of force and for methods of force an admiration or at least an indulgence which we did not share. We asked ourselves with disquietude if Germans recognized as we did the primordial right possessed by civilized nations to determine their own allegiance; we questioned whether their respect for force and their sense of discipline did not incline them to admit as legitimate, acts of coercion and constraint which irritated our sense of justice. The severely authoritative attitude which the Germans voluntarily assumed appeared to us incompatible with the idea of a European order founded upon justice and liberty. The manifest hostility which they had shown at the time of the Conferences of The Hague to the ideas of disarmament and obligatory arbitration could not fail to awaken within us a growing apprehension regarding their theories.

There existed therefore between France and Germany, even before the War, a state of tension which was based less upon the divergences of material interests than upon an irrepressible apprehension and an incompatibility of temperament which led to constant misunderstandings. On both sides many people felt the profound absurdity and the growing danger of such a situation. Numerous men of good will tried to find a remedy. In France and in Germany some new committee was constantly being organized which had for its task to bring about a reconciliation of these two countries under one form or another. Nothing was accomplished. The mistrust continued because it rested upon conditions which no one could or would touch. A Franco-German reconciliation having for its

corollary a reduction of armaments appeared outside the realm of possibility. The great danger of a state of armed peace was recognized, but reassurance was sought in the fact that in spite of all the prognostications of the pessimists it had lasted much longer than anyone had dared to hope and it would perhaps still continue without leading to a catastrophe. Everyone felt that war might break out at any moment through some chance, some imprudence, some lack of *sang froid*, but the perspective of a Franco-German War, which would be necessarily the signal for a European conflagration, disclosed so formidable a cataclysm that it was felt that the most reckless would flinch before such a venture. We lived therefore from day to day with the growing feeling that "it could not last" and the persistent hope that nevertheless it would last. We were confirmed in a disillusioned realism increasingly suspicious toward all humanitarian pacifism and all internationalism. We grew continually more dubious regarding the ideal of the "good European" which had attracted so many minds. We became more skeptical regarding the notion of "universal culture." Europe was manifestly passing through a period of reaction and xenophobe particularism. National imperialism and utilitarian realism were certainly European phenomena, but it appeared to French opinion that they reached in Germany a special virulence and a development more and more menacing to the peace of the world.

DURING THE WAR

In two respects the War modified the mutual feelings between France and Germany. On the one hand it lessened the hostility of the Germans to such an extent that even recently they could affirm without appearing to exaggerate that at the time of the Armistice "there was no hatred in Germany against France." On the other hand the War aroused in the French a very keen and deep-seated resentment which could not abruptly disappear the moment hostilities were at an end.

It is a recognized fact that German hatred at the beginning of the War was directed against the Russians and the English rather than against the French. They began by openly acknowledging that France was not responsible for the outbreak of the universal catastrophe and that she had entered the lists chiefly through loyalty to her ally, Russia. Many Germans of all conditions and of all political opinions were led to revise the rather summary estimate based on poor psychology which they had made of us before the War. They perceived that they had been mistaken when they took us for a nation of vain and inconsistent rhetoricians. The energy shown by our troops on the Marne and the Yser, before Verdun and during the battles of Champagne and Picardie, the stoicism displayed by soldiers and civilians in the critical period of the great German drive "nach Paris", in a word, the undaunted will to hold out and conquer which Clemenceau personified during the last stage of the War, inspired them with some respect. They had to acknowledge that they had undervalued French vitality, that this decadent people was showing a fortitude, a courage, an adaptability and

constancy in adversity that they had not expected. The German press expressed many times and under many different forms this feeling of surprise and admiration. Sometimes it broke out into sympathetic exclamations over "poor France", devastated, ruined and laid waste, but still holding on as a point of honor and through a sense of military obligation, who let herself be bled white, careless of the future, and persisted in a futile resistance without ever listening to reason, who was shedding her most precious blood without so much as questioning whether such a sacrifice was of any use whatsoever. Some of the press representatives, like Maximilian Harden, went so far as to praise French valor in almost dithyrambic accents. Most of them mingled with their praise a hint of disapproval. They believed that the French will to conquer was after all but a form of despair, the attitude of a distracted man who having lost hope for the future of his race seeks to die gloriously because he feels he has not the power to recover in case of defeat. Many a time they said that Clemenceau's uncompromising attitude was the typical attitude of an old man who knows that he is about to die and is ready to sacrifice everything because he knows he is sacrificing very little. There is no doubt that on the whole the Germans realized that their prewar judgment required modification. I am strongly inclined to believe that at that time not only the élite but also, and perhaps to a greater extent, the man in the street felt little if any hatred against France and the French. One did see here and there in the German papers, violent articles on French atrocities, on our black troops, on the abominations of the prisoners' camps, and there appeared, of course, numerous odious pamphlets filled with abuse and base calumny. But these libels did not seem to be the expression of deep and well-founded hatred. They gave rather the impression that they were designed to remind the people of their *duty* to hate a dangerous enemy and to arouse anger, perhaps artificially, against an adversary whom it was proposed to treat mercilessly in case of victory.

Clean cut differences could be discerned between the Right and the Left as to the policies they recommended toward France. On the conservative side, there never was any hesitation. The parties of the Right, as we know, "looked toward the east," that is to say they were ready to pave the way for an eventual reconciliation between Germany and Russia and to bring about a better understanding, both economic and political, between the Slavic and the Germanic groups. Therefore, they were inclined, in dealing with Russia, to give up any conquest that might deeply wound national feeling. On the other hand the Germans, whatever their hatred against England might be, could not dream of dealing a mortal blow to the British Empire, of dismembering it or even of seriously weakening it; therefore it was from Belgium and above all from France that military Germany hoped to receive the compensation she had never ceased to expect and demand for the "sacrifices" the War was costing her. As early as March, 1915, the conservative program of claims against France was ready. It was set forth at that time in the famous Statement of Facts of the six great economic associations and it was preserved intact till the end of the War. It claimed, for military

purposes, an adjustment of the frontier of the Meuse and insisted that the line of demarcation between the two countries should be carried forward from Sedan to Belfort. Some claimed French Flanders or recommended that the North of France should not be evacuated before the English had withdrawn their troops from Calais but they all agreed to demand the annexation of the Briey mining district. What this claim meant we all know. Deprived of Lorraine and her iron ore France would lose one of the essential elements of her national wealth and she would find herself fallen from her rank as a great nation without any chance of recovering it. In seizing all the mines of Lorraine, Germany, who already possessed great resources in coal, would acquire an absolute supremacy in iron and steel and would consolidate her economic power in a formidable degree.

It was in this way that the parties of the Right were determined to make France pay the expense of the War. This was not because they had especial ill feeling against her. They readily acknowledged that she had struggled valiantly and that she might have been allowed to vegetate if she had been amenable to reason and had yielded in time. But since she insisted upon fighting to the bitter end there was no other way than to break her spirit and crush her forever. So much the worse for her. She would have only herself to blame! All misplaced sentimentality must be stifled and only political interest considered. One must not hesitate to perform the necessary amputations on rebellious France. Tracts of propaganda were multiplied, designed to arouse national passions against us and strengthen the idea among the German masses that peace must be gained through our annihilation. When in 1871 Germany had her enemy at her mercy, she did not crush her. It would be unpardonable to repeat today the same mistake which cowards and sentimentalists then counseled. The great political men, such as Bismarck and Bülow, saw clearly that France would be reorganized and would inevitably take up the struggle for revenge. France proved that they were right. It was necessary therefore to act accordingly and treat France in such a way that any future attack by her would not only be improbable but physically impossible. It was essential that at the peace table Germany should settle once for all her account with her hereditary enemy, the "kill-joy of Europe," and should deprive her forever of her power for evil.

To this annexationist policy was early opposed the policy of the Democrats and Socialists who "looked toward the west" and who wanted reconciliation between occidental democracies, first of all with England but also with France. From the day after the battle of the Marne one of the most prominent leaders of the Progressives, Friedrich Naumann, wanted to make "a bridge of gold" the path to France if she were willing to make peace. As soon as the annexationists made known their program of demands, the liberals presented their conception of a moderate peace with no annexations or indemnity and a return to the status quo, a program which they upheld throughout the War and supported vigorously in opposition to Pan-Germanist ambitions which they endeavored to impose on the

Chancellor Bethmann-Hollweg, and which finally carried the day in the Reichstag in the famous proposals for peace on July 17, 1917.

What crippled the liberal program at once and constantly prevented its attracting serious attention in France was that the Democrats and Socialists never considered as a possibility the return to France of Alsace-Lorraine. They did not comprehend that if Germany sincerely wished for a reconciliation with France there was but one way to prove it, that of recognizing the tragic error of 1871 by confessing that a mistake had been made in annexing Alsace-Lorraine against the resolutely expressed wish of its inhabitants. It was this annexation, insisted upon in conscious defiance of the right of peoples to dispose of themselves and maintained in spite of repeated protests from the annexed populations, which had created an impassable gulf between the two nations and had given us the impression that our relations with Germany must rest upon the law of might. The only way for the Germans to dispel our distrust and to persuade us that they sincerely wished to live with France on terms of right and justice, would have been to suggest voluntarily the revision of the Treaty of Frankfurt before it was too late, before such a concession should appear to be extorted from them by defeat or the fear of defeat. The fatal error of German Liberals was that they did not realize this fact. With the exception of a very few Independent Socialists, such as Liebknecht or Bernstein, who had courage enough to acknowledge the necessity of this avowal and of this sacrifice, all Democrats and Socialists, either through conviction or through fear of nationalist opinion, vied with each other in proclaiming that Alsace-Lorraine was and must remain German. Even Socialists, the followers of Bebel and of old Liebknecht, who had protested in 1871 against the annexation in spite of the wave of chauvinism which had then swept over Germany, did not feel it useful or opportune to renew the generous proposition of their former leaders.

This uncompromising refusal destroyed from the first any chance of a reconciliation with France. Since the proposals of peace by Socialists and Democrats did not even hint at the possibility of a discussion of the question of Alsace-Lorraine, they appeared to the French mind necessarily not only idle but dangerous and perhaps treacherous. They might conceal an insidious attempt to cut off France from her allies, to lure her on to break away from England and Russia through weariness or through a desire to obtain advantages for herself alone. French opinion would probably have believed in the sincerity of the desire for peace on the part of the Germans if, when they asked to enter into negotiations, they had at the same time made overtures regarding the restitution of Alsace-Lorraine. As no prospect of this kind was opened we were still inclined to regard these proposals of peace as a mere maneuver to break up the bloc of the Allies and undermine the strength of French resistance.

Was this uncompromising attitude toward the question of Alsace-Lorraine the final word of the Germans? Was it the expression of an unchangeable conviction or only the first step in negotiations? Would the German Democrats

have been more yielding if they had succeeded in bringing about the "conversations" with us which they desired? Would the conservatives themselves have been content, as some have since assured me, to save themselves by giving up Alsace-Lorraine? Would they eventually have yielded to energetic pressure from Austria? But why discuss these questions which each one solves according to his own personal impressions and which apparently can not be answered objectively!

The important fact is that the Germans maintained their negative attitude to the end. All that can be affirmed is the fact that German officials for a long time evaded stating in a solemn, unequivocal declaration, barring any possibility of discussion, that the imperial government was determined to reject any transaction on the question of Alsace-Lorraine. It was only when the Secretary of State von Kühlmann uttered in the Reichstag his memorable "never" that the intentions of the German leaders were made clear. The bridges were burned behind them. There was no way of escape.

At the beginning of 1918 it was obvious that the determination to crush France and, in case of a German victory, to make her pay dearly for the continuation of the War, was a settled thing among the conservatives and the members of the General Staff. To the stubborn and harsh determination of the army and Pan-Germanists the liberal elements were unable to oppose any effective resistance, and they knew it. They could not conceal from themselves the defeat of their policy. They had advocated a conciliatory peace and now at Brest-Litovsk and at Bucharest the military authorities imposed in the East a peace which inflicted on Russia and Rumania mutilations highly offensive to German Socialists and Democrats. It is perfectly obvious therefore that they had not been able to prevent the tyrannous acts which they condemned and that they would be just as powerless to prevent the crushing of France if she had the misfortune to relax her resistance and thus become unable to beat back the formidable spring offensive which was taking shape. Believing, as the *Vorwärts* said, that "their foremost duty was to protect the German people against the perils and the consequences of a defeat," the Socialists tried to persuade themselves that without violating their principles they might give their assent to an offensive in which they pretended to see "a step towards peace," the object of which was to break down among the nations of the Entente the imperialistic will to crush Germany.

Hindenburg asserted that there was no hatred towards France in Germany at the end of the War and I have heard the same statement recently from many Germans. I am sure it is true. None the less, there was in Germany the settled determination to crush France, either because of hatred or through policy, it does not matter which. Their attitude at any rate was calculated to force upon us the deep conviction that if in a moment of exhaustion we wavered in our resistance we could hope for no mercy from the victor; it meant the death of France, *finis Galliae*. During the battle of the Marne, the assault at Verdun and in the tragic days of the drive "nach Paris", we had a distinct feeling that we were looking

death in the face. Was it a delusion? We did not think so and we can not think so. We still bear in our souls the indelible impression that we escaped through a desperate effort of our whole being from an enemy who was determined to annihilate us. Such emotions leave deep traces in our hearts which victory does not wipe out in a day.

War as the Germans waged it inspired us with horror which will long endure. The French have always been considered a military people and we willingly acknowledge that the war "en dentelles" of the XVIII Century or the heroic war of the First Empire did have a certain attraction for them. But the scientific war of the XX Century with its formidable machinery, systematic devastation, fearful reprisals and its odious consequences for civil populations struck them as a hideous retrogression to barbarism and left in them an ineffaceable loathing. Their whole being revolted against it in absolute repulsion, nay more, in lofty disdain. They saw in it nothing but a shameful curse. They determined that it was necessary to discredit war. They hated the German, not so much as the brutal adversary whom they had beaten down and for whom our combatants often felt a kind of professional esteem, but as an incarnation of scientific war. They hated him because he had inflicted scientific war on them and taught it to them, and had precipitated the great cataclysm, because he had thrown himself with savage glee, "joyful and free," into the War, and because German intellectuals had glorified his genius for war which, perhaps tomorrow, would again impose on the world the curse of a war of revenge.

It may be that there is in such a feeling a degree of excess. It may be regarded as certain that the great mass of the Germans honestly believed that they were fighting solely to defend their country, threatened by a world of enemies leagued against her. Indeed they never could have protracted their struggle with such fidelity nor borne with such fortitude the losses it inflicted upon them and the terrible privations which accompanied it, had they not felt that they also were fighting for their existence. It is probable too that delight in war did not exist in Germany even at the beginning except among a minority of fanatics and enthusiasts. Indeed it is certain that as the War progressed the German people learned to hate and curse it as intensely as the French people did. But the French have a clear intuitive sense that at the beginning of the War there was an undeniable contrast between the French and German attitudes. Germany deliberately adhered and consented almost joyfully to the War, and France instinctively abhorred it.

So this struggle from which France emerges victorious and enlarged by the recovery of her lost provinces but cruelly mangled, outrageously devastated and exhausted by the loss of her most generous blood, on the whole has made the gulf deeper which divides France from Germany. It has caused among the French intense loathing for the enemy, whose merciless cruelty they had felt heavy upon them, whose methods of war they hate in their heart of hearts and whose combative spirit they fear for the future.

IMMEDIATELY AFTER THE WAR

The military breakdown of Germany followed by the Revolution of November, 1918, brought into power the Democrats and Socialists, partisans of a peace of compromise and of a reconciliation with the western democracies. It might seem that the downfall of German imperialism and militarism, the overthrow of the prewar order of things and the advent of a new Germany with the Left, long limited to ineffective opposition, assuming the management of affairs, would create a more favorable atmosphere to the forgetting of ancient hatreds and recent wrongs. But nothing of the kind took place; on the contrary the Peace of Versailles created a conflict more dangerous than ever between Germany and France: the hatred of France grew in Germany with incredible speed, and has recently reached a threatening climax. Let us see how such a state of feelings came about.

We have mentioned above what were the feelings of the victorious French at the time of the Peace. We had not the least idea that it was necessary to spare Germany in defeat. We felt that we had been attacked unexpectedly by the enemy who had thought the time propitious to realize his dream of domination by force. This enemy had displayed an insolent contempt for treaties symbolized by the now famous expression, "a scrap of paper." He had made war against us according to "scientific" methods which had revolted us. We knew that in case of defeat we should be utterly ruined, wiped off the list of independent peoples. We thought that the Germans who laid down their arms before experiencing the misery of invasion and the ruin resulting from military operations were getting out easily from the sanguinary crisis into which they had thrown the world. In any case it seemed perfectly obvious to us that at the end of this War, the brunt of which we bore and out of which we came victorious but exhausted by enormous losses and the devastation of our northern provinces, we had unquestionable right to certain compensations:

- (1) Obviously the restitution of Alsace-Lorraine.
- (2) Reparation for our devastated provinces. The right to this was all the more evident as Germany had not suffered from hostile occupation, but kept her fields in cultivation, her towns uninjured, and her industries in working order. To deny reparation to France would place her in a worse position than that of the vanquished.
- (3) Guarantees against a German war of revenge: the assurance that she be disarmed and made powerless for harm for as long a period as possible.

These demands which seemed to us indisputably just, we resolved to insist upon not brutally, but with unswerving determination: to make a show of magnanimity toward the formidable enemy we had conquered would not only have been hypocritical but also a betrayal of our duty to those who had sacrificed their lives to save France. To jeopardize the future of the country simply to assume a chivalrous attitude would have been treason to the dead. All this seemed to us absolutely evident. We expected the Treaty of Versailles to meet these demands. It seemed indeed at first that the Peace met fairly well our

expectations. Doubtless for many it was from the first a disappointment; a considerable part of the French public thought that it was not giving us sufficient guarantees. But on the other hand we realized the immense difficulties involved in the negotiation of such a treaty. We understood that a compromise was necessary in order to harmonize the different and even divergent interests of the Allies. As it seemed that the Peace of Versailles at least sanctioned our essential claims, we tried to make the best of its imperfections. We thought that France might be content with the results obtained.

The Germans' perspective was quite different. The crisis which at the beginning of October, 1918, brought into power the Democrats with Prince Max von Baden, and the Revolution on November 9 which inaugurated the domination of Socialists caused a tremendous revulsion in Germany almost within twenty-four hours. The new Germany which suddenly sprang from the ruins of the old energetically repudiated all solidarity with the latter.

The new leaders were imbued with deep resentment against those whom they held responsible for the present catastrophe, against the military clique that had conducted the War, against the imperialists who had waged it or rendered it necessary, against the profiteers of agriculture and "schwer industrie" and against those who had spread abroad that formidable propaganda which had systematically prevented the German people from seeing the truth which had plunged them into the frenzy of war and which by flashing before their eyes the mirage of illusory conquests or gigantic plans of supremacy had incited them to pursue indefinitely a chimerical victory. As long as fortune had smiled on the militarists the apostles of war had gone on their way giving heed to no warning. They had aroused the hatred and the fear of the whole world by their annexationist pronouncements and the excess of their ambitions; they had forced America into the struggle by their policy of unrestricted submarine warfare. They had overwhelmed with insults and contempt those who advocated a conciliatory peace; only a short time before they had demanded with unparalleled blindness the spring offensive, representing the situation of the Allies to be desperate and assuring Germany that after that one last effort she would reach the end of her woes. And, behold, suddenly these men admitted the bankruptcy of their policy, leaving for those whose advice they had scornfully rejected the task of settling the disastrous situation into which they themselves had brought the country!

It is easy to understand the extreme bitterness of the Democrats and Socialists, who at the very moment when they were taking possession of the power so eagerly coveted, learned that they came too late, that a conciliatory peace was no longer possible, that as the military leaders themselves admitted, they would run the risk of an irreparable disaster if hostilities were continued and that they must enter at the worst moment and under obviously unfavorable conditions into negotiations with enemies who had been filled with uncompromising resentment, by four years of relentless war carried on in their own territory, and who had seen

by the example of Brest-Litovsk how Germans treat a conquered adversary. We appreciate the difficult position of the Democrats, obliged as they were to take up the thread of public affairs under such disastrous conditions, to pay however unwillingly for others' faults and to take upon themselves the thankless and even hateful task of signing a peace which might prove to be an ignominious capitulation and which in any event would confirm the failure of the imperialistic ambitions of Germany.

They at least attempted to give to the whole world the impression that Germany had been entirely made over, not under the pressure of foreign countries, nor under the compulsion of defeat, but quite spontaneously, by virtue of the most deep-rooted aspirations of the national spirit; that she had put an end to the Prussian Germany of former days, had done away with the vestiges of feudalism and absolutism which had shocked western democracies, that she had taken in hand her own destiny and that she had broken definitely with the power of militarism. Moreover, the Left declared themselves loyal patriots. They did not regret having formerly consented to national solidarity, having voted war credits, nor having rallied to the colors. They had not done this, they said, through nationalist superstition nor through race hatred nor servile obedience but because they well knew that by betraying their country in the hour of danger they would have favored, not the triumph of international socialism, but the victory of the enemy's imperialism. They proclaimed loudly that if the Entente meant to impose on the new Germany a peace of force they would announce a general levy and organize resistance to the uttermost; they invoked the memory of the French Revolution or of the War of Independence of 1813. They were careful to entirely disown any solidarity with the representatives of the "policy of force" which they had always condemned, and still held responsible for Germany's misfortunes. The German Democrats wanted to substitute for the nefarious "realism" of the Right, which had excited the hatred of all peoples against Germany, a revolutionary idealism similar to that which formerly animated Fichte and the German patriots. They thought by this conversion to come nearer President Wilson's American idealism and the democratic feeling of the French and of the English and to prove that they were ready to take their place in all sincerity in the League of Nations. Even after the Armistice they continued hoping that a treaty negotiated on the basis of the fourteen points of President Wilson, interpreted of course according to German exposition, might end in a peace which would in some degree resemble that peace of conciliation supported during the War by the Left and which German opinion might consider as a just peace.

We know what emotion seized the Germans when they suddenly found themselves face to face with the concrete conditions offered to them by the Allies, and saw the last illusions with which they had consoled themselves fade away. When they saw the way in which the Conference of Paris applied the Wilsonian principles, and that President Wilson himself sanctioned this, the Germans experienced immense disappointment and at once raised impassioned protests against a peace

the harshness of which was so extreme that it surpassed—they said—the most pessimistic forecasts. "The German people," solemnly declared President Ebert "is torn and dismembered, its laborers are all given over to the exploitation of capitalists and the German Republic is fettered for years to come; such are the results of a peace of violence for which the imperialism of the Entente is responsible." With one accord, German opinion declared its refusal to recognize the Treaty of Versailles. In this Peace—imposed by the victor without allowing any discussion by the vanquished—they saw not an act of justice but a manifestation of wicked imperialism, a work of vengeance and of hatred. They protested that such a treaty was not only iniquitous but impossible to execute and that it would entail the most disastrous consequences for the peace of the world. The Germans, however, finally made up their minds to sign, but merely as a matter of convenience. Every one felt that it was impossible to galvanize the masses into a fresh effort. The strain of the War and then of the Revolution, lasted too long, and tried the emotions and the will of the nation too much for it to be still capable of rallying in a last fit of energy and struggling to the end against such a peace of annihilation, vehemently condemned by the entire German press. Any effective resistance to the will of the Entente was therefore impossible. Even passive resistance was beyond the strength of Germany. A policy of refusal, of solemn appeal to universal revolution or to the moral conscience of pacifist humanity was recommended by a heterogeneous group. In this group were to be found the last devotees to militarism and to the "policy of might," the worshippers of expansive imperialism who could not bear to see Germany deprived of her conquests and colonies and several of the leaders of capitalist and industrial Germany who refused to accept the economic ruin of their country and give up all hope of its recovery if it submitted to the conditions imposed upon it. In addition there were Democrats or Socialists who formerly recommended a conciliatory peace and could not resign themselves to the fact that this Wilsonian peace appreciably differed from the idea they had formed of it, and who therefore recommended resistance to the uttermost against an imperialistic peace bound to perpetuate discord and war in the future of the world. But at the last moment this attitude was considered a dangerous one even by the opportunists, who feared the immediate consequences to Germany of a refusal to sign, and who wanted at any cost, to spare the country the dire risks of invasion, of the renewal of the blockade, of a Bolshevik crisis and especially of a break in the national unity. Erzberger rallied about him those who were in favor of submission and finally after a severe struggle forced through the Reichstag the ratification of the Treaty.

What was the ratification worth, wrung from them under sheer compulsion? Unquestionably from the very first Germany was determined to use any means within her power to evade a treaty whose terms all the Germans agreed were neither acceptable nor possible of execution. She never missed an opportunity of letting us know that she did not consider herself morally bound by a contract which she had signed only under the pressure of violence. She stated at once

that she would execute it only within the limits of possibility and of her own capacities. Immediately also she proclaimed her intention to try to have it revised.

First and above all this revision would be directed against France. Even immediately after the signing of the peace, German opinion was turned against us especially. The Allies of course discussed the clauses of the treaty together; they accepted the responsibility of it jointly. They presented a solid front to Germany. There seemed therefore no reason to lay the blame on one rather than on another. However, it was France whom the Germans pursued with steadily increasing hatred as soon as the Peace was signed. Let us examine the reasons for this animosity.

We do not think it can be our retaking Alsace-Lorraine which excited the Germans against us particularly. They had not many illusions left on the subject. Even the German plenipotentiary, Count Brockdorff-Rantzau, declared that he accepted unreservedly the point of view of President Wilson and acknowledged that the Germans "wronged" the inhabitants of Alsace-Lorraine in 1871 when they disposed of them without their consent and without taking into account linguistic frontiers and he did not attempt to conceal the fact that in reality the Germans must resign themselves to the loss of this territory. As to the Socialists, they frankly owned in the Congress at Geneva that Bismarck had grievously shaken the peace of the world by annexing Alsace-Lorraine through violence and that therefore there must no longer be any Alsatian question for the Germans. The attitude of the "disannexed" populations was, moreover, a cruel disappointment to the Germans. It showed them clearly the unpopularity of the German régime there. Hence, the loss of Alsace-Lorraine had been foreseen as soon as the fortune of arms had turned in our favor. Besides it meant by no means an irreparable mutilation to Germany. It seems apparent that the Germans would have put up with the loss of Alsace-Lorraine had they not had other reasons to find fault with us. They now of course make no mystery of their desire to make good their loss. Especially in the nationalist press they are making a campaign of systematic disparagement of our French administration and they take advantage of all the petty obstacles encountered in the work of the reintegration of Alsace-Lorraine into the French mother-country to proclaim the failure of our policy. I can hardly believe, however, that such partisans can be much in doubt as to the real dispositions of the population of Alsace-Lorraine taken as a whole. The Germans defend for the sake of principle a cause which they know to be lost, but the final settlement of which they stubbornly contest in order to reserve the opportunity for Germany to raise new pretensions in case of a future war. But it is not grief at losing Alsace which makes an obstacle, even now, to a reconciliation between France and Germany, if Germany could see any advantage to herself in reconciliation. Ludendorff himself acknowledged this recently in an interview.

A far graver cause of enmity is the Germans' fear of French interference in their domestic affairs. Immediately after the downfall of imperial power, there

was manifest among patriots and specially among Democrats who had always championed German unity a great fear of the separatist danger. The preservation of German unity was to them a matter of the deepest concern. If, as a consequence of the defeat, the centrifugal forces should acquire fresh vigor and succeed in dismembering the Reich the result might indeed be an irretrievable disaster for Germany. As a matter of fact this peril was not wholly imaginary. The internal quarrels of the Germans had never ceased and their intensity increased just after the catastrophe. The old antagonism between North and South, Bavaria and Prussia, Catholics and Protestants, was manifested by a number of symptoms. Autonomy rose up against Prussian centralization particularly in Upper Silesia and the Rhine provinces. When, directly after the Revolution, Berlin became one of the centers of Bolshevism and ran the risk of falling into the hands of Spartacists, anti-Prussian tendencies developed vigorously in the rest of Germany.

While the Germans realize fully that this peril need not be considered as threatening in itself, they feel that it might become very serious if France should begin to revive the old policy of the Confederation of the Rhine and attempt to ruin the unity of the Reich by artificially stirring up internal quarrels by inciting the various German states against one another, systematically protecting those which might accept French direction, separating North from South along the main line and rousing a separatist movement in the valley of the Rhine or urging the establishment of a Federation of Catholic States which might include Austria.

At the very beginning of the crisis, German papers sought to prevent an eventual move of that kind by vigorously denouncing the dangers of a policy which would end in "Balkanizing" Germany and thus establish anarchy over the entire European continent as far as the French frontier. They solemnly warned Germans that German unity was the foundation of the economic prosperity enjoyed by the Empire before the War, and that ruining that unity, dividing the German economic field and raising new barriers of customs duties, would make all the German states unable to compete with the great powers of the world and would add to the impoverishment of the War the irremediable impoverishment due to the paralysis of all economic energies.

We know that the separatist danger was never manifested in Germany by any fact of serious importance. By forcible propaganda and vigilant watchfulness the Germans have been able to keep all the different parts of the Reich faithful to their patriotic duty. Even in that part of Germany which was occupied, separatist manifestations never were so extensive as to make the Germans really anxious. It is obvious that, as the papers stated it, the German resolve for unity was no longer peculiar to the élite few, as was the case in 1848, but had spread over the whole nation. Moreover, those among the Germans who might be still wavering were restrained by sharp mutual suspicion and the fear of the reprisals to which they would be exposed at the time of evacuation if their national loyalty had been doubted during the occupation. The action of the French Government

and the declarations of our statesmen have always been perfectly correct. We do not deny for a moment that isolated individuals, writers and statesmen have recommended an appeal to separatism and a policy of "pacific penetration," have thought it advisable that the French occupation should last as long as possible, have endeavored to separate the Rhine district from Prussia or to stimulate desires for autonomy. It is a known fact that at the time of the peace negotiations, eminent Frenchmen declared that the military security of France demanded that the left bank of the Rhine should be permanently separated from the Reich, or, at least, neutralized. But, once the Peace signed, we accepted the accomplished fact and never did our government, by its acts or authentic declarations, lay itself open to the suspicion that France would advocate any policy of interference with German affairs. Nevertheless, the Germans made and are still making an extremely violent and unrelenting campaign against the "plots" of French separatists. They are still convinced that the French are systematically trying to dismember Germany, and they never miss an opportunity to rouse German opinion and European opinion against us in this regard. They have a perfect right to defend their national integrity by all legal means. But we can not help feeling that they have conducted this defense in a singularly aggressive spirit and with a bitterness which is not justified by the attitude of the French Government.

Even more than by the fear of separatist movements, the enmity of the Germans against us was excited by our occupation of the Rhine Valley. The continual contact between French troops and German populations, the inconveniences and troubles of all kinds entailed on the inhabitants of the occupied district in lodging important military forces and numerous officials, the anger—artificially aggravated by an extraordinarily violent propaganda—over our use of black troops, the inevitable friction between the French authorities and German administration, all these things created in the occupied zone and in the neighboring country a rancor against us which may have been inevitable but which was not calculated to make Franco-German relations smoother. We can see that the situation has grown considerably worse as the relations between France and Germany have become more strained. We also observe that German hatred centers on the French, and spares the English and Americans, not because the régime established by us was especially hard, oppressive, vexatious or burdensome, but because the Germans believe it is due to French demands that the occupation was decided upon and that it is the desire of France that the occupation should be protracted as long as possible. Consequently, they make the most of all the incidents which are inevitable in military occupation; they are constantly suspecting us of plotting to continue our domination longer than the limits fixed by the Treaty. They fear that France may try to give rise to pretexts which will allow her either to put off evacuation or to extend the zone of occupation under the pretense of "sanctions." An indefatigable propaganda is jealously and defiantly at work to uphold the national sentiment, to watch and frighten the lukewarm or suspects, to organize resistance to French influences, to counteract by opposition

all the efforts of our administration to bring about a reconciliation between the native German and French elements of the population.

The loss of territory on Germany's eastern frontier was even more severe than that suffered in the west. The restoration of independent Poland, the loss of Posen and part of Upper Silesia and the situation created in West Prussia by the famous corridor securing an access from Poland to the sea are felt by the Germans as very dangerous encroachments upon the integrity of their political and economic organism. German opinion holds France responsible for the way the Polish question has been solved. They ascribe the "insolence" of the Poles in their complaints against Germanism to our support. The Germans are convinced of the thoroughly chimerical character of the policy of the Entente in the East and of the unstable conditions created by the Treaty of Versailles. France, they say, wishes to create artificially a Great Poland with thirty-five million inhabitants which, until the restoration of Russia and the reestablishment of the Franco-Russian Alliance, is to serve as a barrier against Germanism. This, however, is an impossible dream. Such a Poland as this, with less than two thirds of the population really Polish and the rest composed of foreign elements from everywhere and two to three million Germans imbued with bitter irredentist feeling, is not likely to live. It constitutes a dangerous collection of explosive elements which will burst forth the moment the international pressure which holds them together is relaxed. Rent by grave internal dissensions, struggling with insurmountable economic difficulties and imbued with incorrigible imperialism which brings her into conflict with all her neighbors, Lithuanians, Russians, Galicians, and Czechoslovaks, Poland is doomed to violent crises. M. Hoetzsch, one of the best informed judges of Russian affairs, explains that France wishes to conciliate her XVII Century policy of a Polish alliance with her XIX Century policy of a Russian alliance. That would be to seek to square the circle. An attempt to raise a barrier between Russia and Germany could never be permanently successful. Poland and Rumania are nations too weak to resist in the long run the formidable onrush of the Slav world, which aims to break through to the open sea, either towards the Baltic and the Atlantic ocean, or towards the Mediterranean. They have not the necessary strength to prevent the inevitable union of Slavism and Germanism. Russians, Germans, Austrians and Magyars—about two hundred million people in all—are inevitably pushed towards one another by the policy of the Entente. The Germans, who are better acquainted than anybody with Oriental conditions, are alone capable of bringing to a successful issue the economic reorganization of the vast chaos in Central Europe. If France tries to thwart this necessary work by opposing to it a weak and artificial Polish-Rumanian barrier, if she intends to keep eastern and middle Europe in a troubled and anarchical state, then war will follow. Germany, urged on to despair and having nothing left to lose, will fall back upon Bolshevik Russia and lead the Slavs and Germans to an attack on the new vassal-states of the Entente.

Lastly, the great grievance of the Germans is that France—so they say—is

systematically endeavoring to ruin Germany and place her in perpetual bondage by demanding, under pretext of reparations, an indemnity totally disproportionate to the actual resources of the nation. On this point their resistance is most bitter and their attacks are most incisive. They never stop denouncing the "sadism" with which France is harrowing Germany, already half dead. They compare France demanding the execution of the Treaty of Versailles to Shylock demanding the pound of flesh to which his bond entitles him. They assert that the French have the mentality of a provincial property owner because, instead of working with the Germans towards the retrieving of their losses, they demand at any cost the payments stipulated in the Treaty without questioning whether this short-sighted policy will not end in the total breakdown of the debtor. At other times they represent the French as deliberately discarding German help for the restoration of their devastated districts, refusing to let German laborers remove the ruins left by the War, deliberately keeping open the wound which disfigures their national organism in order to inspire European pity for "poor France" and French hatred for the former invader. They depict us as frantic, blinded by hatred, possessed with the mania of destroying our enemy, and acting contrary to our obvious interest. And this propaganda has been only too successful. If you wish to get an idea of the frenzied intensity of hatred for France in a German soul, read Ruthart Schumann's article entitled "France and Ourselves" in the *Preussische Jahrbücher* of April, 1921, or the "Open Letter to a Frenchman" in the *Roter Tag* of March 13. In these extravagant statements is disclosed a paroxysm of violence, insult and rage, which reveals much regarding the feelings entertained towards us by a certain part of Germany.

On the whole it appears that the Treaty of Versailles created the most dangerous possible state of affairs for France.

The World War was not a duel between France and Germany. England and America defended on French soil their own cause and interests as well as those of France. Therefore, justice demanded that the Allied Powers should remain united for the establishment of peace as they had been for the direction of the War. It demanded above all, at least such is the deepest belief of the French, that the restoration of our devastated provinces which served as battlefields during the War against the Germans, not only for the French but also for the English and the Americans, should be jointly guaranteed by all the Allies. Now the fact is that the Treaty of Versailles neither established nor organized this solidarity. We shall not attempt here to find out how, why or through whose fault this condition came about. We limit ourselves to the mere statement of fact. Instead of giving a joint guarantee for the security of her frontiers and the rebuilding of her ruins the Allies simply allowed France the right to demand from Germany the indispensable reparations, but it did not protect France against the possible insolvency of Germany and it allowed the considerable debts incurred by France during the War to England and the United States to stand, whatever the payments from Germany might be. Again, we indulge in no recriminations

or accusations. We simply observe that the Treaty of Versailles thus practically instituted, almost necessarily, a direct conflict between France and Germany, and under singularly dangerous conditions for us.

It is clear that in demanding the revision of the Treaty of Versailles the Germans must inevitably act against us, and against us only. Indeed France alone had a vital interest in the execution of the Treaty. As soon as the Peace was signed, all objective motives for contests between Germany and America disappeared. Germany had nothing to ask from America, who had taken nothing from her; and America in her turn could expect nothing from Germany except in minor matters. To be sure, England had caused Germany enormous losses, but, once the hostilities were at an end, it became dangerous and impracticable for the Germans to blame her. In fact Great Britain had in her grasp the greatest part of the share she claimed in the spoils and she held it fast. Germany realized that there was no chance to recover either her colonies which were already in the hands of the English or her navy, engulfed at Skapa Flow or confiscated by the Allies and shared between them. Hence it became rather unsafe for Germany to quarrel with the British giant on whom she well knew she had no basis for attack. France remained, but she did not hold her share of the spoils. She had, to be sure, taken Alsace-Lorraine and would not give it back. But she did not hold the Saar definitely, since a plebiscite was to decide finally the fate of that country. Far less did she hold the indemnity for her devastated regions. On this point she had only promises, but no real guarantee except the occupation—precarious, since it was expected to last a limited period of time only—of the left bank of the Rhine. The revision of the Treaty of Versailles was bound to encounter the determined opposition of France, for it affected her vital interests. But Germany could hope to tire the other members of the Entente by sufficiently obstinate resistance since the complete execution of the treaty was not for them a question of life and death; they could afford to make concessions as after all these would be made chiefly to the prejudice of France. It was therefore worth while to enter into a vigorous struggle for the revision of the Treaty—there was every chance that Germany would find an opponent in France alone.

This prospect was all the less appalling to the Germans because France appeared by far the weakest of the victorious powers, and the point of least resistance in the bloc of the Allies. Germany hardly felt she was vanquished; she felt proud of the formidable resistance she had so long opposed to the Entente; her armies may have given way in the end, but at least they had not known defeat and she had always kept the War within the bounds of the enemy's territory. To be sure she came out of the struggle with much loss of territory, but in spite of that she was conscious of her strength, she knew it was still far superior to that of France. She was still a people of sixty million inhabitants while even with Alsace-Lorraine France did not number forty, because of her losses. She had the advantage of us in a higher birthrate which allowed her to retrieve her losses rapidly. She had kept intact her industrial equipment and would soon be able to

take up the struggle for economic power under favorable conditions. She considered herself superior to us in her sense of discipline, her ability to organize, her working capacity and her scientific knowledge. She announced that the world was craving for German products and German science. As long as she hoped to conquer us she had paid homage to the tenacity of our resistance. Now she is vanquished she takes pleasure in pointing out that we won our victory (and a rather inglorious one) only by the help of the whole world, that if we had been left to our own resources we should have been swept mercilessly from her path and that we remained in the last analysis "a second-rate conqueror" (*der minderwertige Sieger*). She undervalues French vitality, as she did before the War, and cherishes the hope we may indeed die because of our very victory. At heart she holds the conviction that she has a brighter future than we. To be sure, she is never tired of repeating, in order to stir the pity of the world and to quiet suspicions, the story of "poor Germany," exhausted by her losses, half starved, wearied and driven to bankruptcy, wondering anxiously how she is to feed her population, give work to her people and supply her factories. She makes much of her state of disarmament and complete powerlessness compared to France armed to the teeth. She remains nevertheless firmly confident that this decline is temporary and that the hour of restoration will not be long delayed. At the very time of signing the peace, the attitude of Germany regarding her foreign policy was taking definite shape. While protesting that they were not trying to break up the Entente, nor to set the Allies against each other and that they had no interest in creating an Anglo-French antagonism, nor in bringing about the isolation of France, the Germans could not conceal their general tendency. They aimed at closer relations with Russia, who was to become their future ally, at making friends with the Americans, whose help they hoped to win for their economic recovery and at remaining on good terms with the English, who were in a position to exert a moderating influence upon France. Towards us, there was undisguised hostility. Here is, for instance, the conclusion of Hoetzsch's article in the *Kreuz Zeitung* of June 25, 1919, about the signing of the peace:

As to foreign policy, modern history teaches us a fact which has all the force of a natural law, namely, that peace never lasted in Europe after a victory of France; Europe has experienced fairly long periods of peace only after French defeats. During the campaign, Field-Marshal von Hindenburg said that the German people did not hate the French. The Peace of Versailles has now, however, roused anew deadly hatred between the French and the Germans. In the Mirror Gallery, in the Palace of Versailles, where the new German Empire was proclaimed, Clemenceau celebrates his triumph, an intoxicating and prodigious triumph, such as none of the men of 1871, on whom Gambetta's political succession devolved, could have foreseen. But from the signing of this Treaty will date a new era of Franco-German antagonism, and *that* is what will determine the ruling policy of the immediate future.

CHAPTER II

THE MAIN CURRENTS OF GERMAN OPINION

Once peace was concluded, everyone hoped that, the Hohenzollerns being overthrown and the German Republic proclaimed, a "new" democratic and pacifist Germany was going to spring from the ruins of the old Empire. All agreed that this was the best chance of peace for Europe. In order that vanquished Germany might be reconciled to her defeat, give up her dreams of supremacy and consent to live peacefully with her neighbors, she must evidently break with her warlike past and renounce imperialism and the policy of expansion. It was generally admitted that if the Pan-Germanist state of mind should be revived, if the Prussian and "Bismarckian" spirit should again prevail and if the German people should return to monarchy there was every reason to fear that Germany might adopt a policy of revenge. She would conceal her craving for revenge under feigned resignation as long as she felt weak, but as soon as her strength was restored she would drop her mask and resume her "policy of might." France and the rest of Europe therefore followed with the greatest concern the internal evolution of Germany; they tried to fathom her real intentions, they scrutinized the tendencies which appeared in the different parties then contending for power and computed the chances of success of each of them. We will try to set forth as objectively as possible the fluctuations of German opinion and to distinguish the different currents which moved them.

REVOLUTIONISTS

On November 9, the very day when the Revolution broke out in Berlin, the *Frankfurter Zeitung* published in a pamphlet a hymn in the "Zaruthustrian" style by Wilhelm Schaefer which is a good example of the complex feeling made up of anxiety, despair and vague hope with which Germany had been awaiting the great storm, so long foreseen, the first thunderbolt of which had just been heard:

A hellish dream, begotten in the wanton dance round the Golden Calf, that is what the War has been—behold, the end looms up in dread and not for thee alone, Germany.

Not for thee alone does a cry of rage and woe burst forth from the crowds; it is enough that our sons and husbands should die—no one knows why—enough that we should be harrassed with affliction and resentment—no one knows for whom.

No one knows for whom, and yet all know that this means ruin—the ruin of an epoch which in its voracity has gorged itself even to nausea.

From bloody troughs, the eager profiteers were still glutting themselves, and never saw the Butcher coming who is now sharpening his knife.

He is sharpening it for thee, as well as for the others, but thou art staring at the banners swallowed up in the abyss, and clenching thy fist under the outrage thou hast suffered.

Outrage and banners will be forgotten sooner than thou think'st, and from the abyss will come up such a cry, that both thou and the conquerors of yesterday will feel the blood freeze in your hearts.

The victors of yesterday shall be the companions in adversity of tomorrow, and the abyss will engulf many a victim who is now swollen with vanity and rapacity.

The victor of tomorrow will be he who first hears the trumpet call of the New Era but he will no longer hold in his hand the blade of brutal force.

In his hands he will hold the chalice of pain, in his heart will dwell humility, in his mind the will to found another kingdom than that of blood and iron.

It was in such a spirit that the Germans regarded the beginning of the crisis which convulsed their country in the first days of November, 1918. When they saw thrones and governments suddenly collapse, when Councils of Workmen and Socialist governments sprang up on every side, when most of the large German towns rang with the rattling of machine guns and the explosion of grenades, the witnesses of the cataclysm thought they beheld in the sky the blood red glow of the "Great Night," so long foretold by all the prophets of Revolution. They wondered with a shudder of fear whether the wave of Bolshevism was not going to break from the Vistula to the Rhine and whether Germany after Russia was not going to experience the horrors of civil war and the calamities of universal anarchy. The Red peril for a time haunted everyone.

The Revolution was the work of a very small minority, itself composed of two rather dissimilar elements: (1) Independent Socialists who, under the direction of Kautsky, Bernstein and Haase, had broken with the socialist majority as early as the end of 1915 and formed a separate group in 1917; (2) the extremists who under the impulsion of Liebknecht, Mehring and Rosa Luxemburg, created the Spartacist group in 1917 and since that time had worked in close connection with Russian Bolsheviks for the Universal Revolution. It was these socialists of the Left who, after the failure of the strike in Germany in February, 1918,—an attempt to bring the War to an end before the great spring offensive—patiently resumed their work, spreading revolutionary propaganda among the working classes, forming the workmen into groups, particularly in Berlin and Munich, furnishing them with arms, organizing in each factory "the troops of attack" designed to fight the police forces. It was they who in November established connection between the several elements which were rebelling against authority: sailors in revolt against the order of the High Command, which was sending the German fleet to be uselessly destroyed by the English; soldiers in the depots and

on the lines of communication, who were determined at any cost to prevent the General Staff from carrying on the War and proclaiming a general levy; and those of the proletariat converted to Bolshevism, supported by the help of the Russian Embassy and determined to instigate an insurrection of the masses of the poor against the rich. Their leaders, especially Liebknecht and Kurt Eisner, took charge of the movement at Berlin and Munich. But no sooner had the Revolution triumphed than vital differences came to light which severed the various elements of the Socialist party.

Theoretically, the Independents were neither anarchists nor internationalists, but they resolutely disapproved of any compromise with the prewar state of affairs. As to foreign policy they admitted that Germany could only obtain real peace through recognizing the truth, that is, by honestly acknowledging her faults, and the best among them, Kurt Eisner for instance and Kautsky, confessed these faults with praiseworthy frankness. They acknowledged that the responsibility of the War fell on the Germans. They themselves published diplomatic documents establishing their guilt. They unreservedly condemned the fighting methods of the German Army. They deplored devastations, deportations and depredations of all kinds, as well as submarine warfare. They owned that after so many crimes the Germans had little reason to protest bitterly against the terms of the Peace Treaty, that they must loyally undertake to repair the ruins caused by themselves, must give an unreserved assent to the loss of Alsace-Lorraine, whose resolve to join France could not be questioned by anyone, and must show their good will by indemnifying as far as might be possible the losses they had inflicted on the French and on the Belgians. We all remember the fiery eloquence with which Eisner developed his ideas in his courageous speech in the Socialist Congress at Berne by which, according to his almost immediately realized foreboding, he signed his own death-warrant.

As to domestic policy the Independents brusquely rejected the Social-Democrats' prudent ideas of reform, their alliance to the Bourgeois parties, their subservience to capitalism. Without demanding that thorough-going socialism should be carried out at once, they insisted on the Marxian principle of the struggle of classes and the necessity of opposing bourgeoisie and capitalism and of proceeding at once to the "socialization" of a number of essential branches of production. They did not in short demand the dictatorship of the proletariat, but they protested against the hurried reestablishment of the parliamentary régime. The Revolution, they said, had been the work of a few who had become conscious of the real situation of the country, conscious of the truth, systematically obscured by an unprincipled propaganda. In order that it might survive, the German nation must have time to eliminate the Pan-Germanist and imperialistic virus which penetrated to its vitals. They must therefore avoid a premature general election which might bring again into discussion the conquests of the Revolution; they must keep in power for a sufficient length of time the Soldiers' and Workmen's Councils which had achieved the Revolution and in whom the

revolutionary spirit was deep-rooted and conscious. Once the bulk of the people were enlightened and taught they would be able to proceed to the election of a Constituent Assembly.

While the Independents were on the whole neither anarchists nor anti-Democrats, the Spartacists with Liebknecht and the Communists with Rühle presented obvious affinities with Russian Bolsheviks. Like them they wanted a Universal Revolution, the violent destruction of capitalist society by riot and strike, the immediate realization of thorough-going socialism; they energetically rejected parliamentary methods and advocated the dictatorship of the proletariat and terrorist measures. Directly after the Revolution, they seceded from the Independents and organized a separate group which at once entered into a desperate fight against the central government.

The divisions of the Socialist party had momentous consequences for the political evolution of new Germany.

The Independents found themselves immediately compelled to share power with the Majority Social-Democrats but there was no possibility of agreement between them. They had nothing in common. The Independents were uncompromisingly revolutionary. Since their appearance on the political stage they had resolutely broken from nationalism as well as from capitalism, had proclaimed the necessity of making universal peace *against* governments, had insisted upon breaking the pact of patriotic union at the beginning of the War and had demanded that the struggle between the classes should be resumed. The Majority Social-Democrats were clever opportunists ready to come to terms with political and economic imperialism and willing to unite with the group of idealistic Bourgeoisie, with Democrats and eventually with the united parties of the Left and Center. There were between them differences of principle, personal quarrels, oppositions of temperament and the memory of the strikes of January, 1918, in which the Majority Socialists, under the pretext of taking the lead of the movement, had unnerved it and eventually brought it to a standstill. An efficient cooperation of the two hostile factions of socialism was therefore from the first all but impossible to realize. The masses of workmen and even more the soldiers, unconcerned with the quarrels of their leaders, exerted pressure upon the latter to become reconciled. In spite of their reluctance the Independents found themselves obliged to yield and give their consent to a cooperation which they did not at all desire and from which they did not expect any good. The government of the German Republic had therefore organized upon the principle of equality: the Majority Socialists, who were more numerous, yielded an equal share of influence to the Independents, who were few but had achieved more efficient revolutionary work. Ebert, whom Prince Max von Baden at the time of resigning had invested with the title of Chancellor, agreed under these conditions to share with Haase, the Independent, the Presidency of the Council of Mandatories.

Such a combination was obviously artificial and doomed to fall.

The extremists immediately seceded; they refused to share the responsibilities of a government in which the Majority Socialists cooperated with the Bourgeois parties. On the very first day the deputies of the Russian people warned the extremists by a radio dated the 11th of November:

As long as you accept a government composed of princes, capitalists and men of the Scheidemann type, you will not hold the government in hand. Such men as Scheidemann and Erzberger will sell you to the capitalists. You must take possession of power by arms everywhere and constitute a government of workmen, soldiers and sailors with Liebknecht at its head. Do not allow yourselves to be enticed by the thought of a National Assembly; you know to what the Reichstag led you. Only councils of workmen, soldiers and sailors, only a government of workmen can be trusted by the workmen and soldiers of other countries. Such a government will propose to French and English workmen an honorable peace and we are convinced that they will follow our example and yours.

Thus, from the very first, Liebknecht kept aloof. On December 30, he founded the Communist party with Rosa Luxemburg. This meant open war with the government. The disturbances of December, 1918, the "Red week" of Berlin (January 5-12, 1919), the strikes in the Ruhr, the prolonged troubles in Bavaria, the riots in South Germany and the attempt at a general strike in Berlin (March, 1919) were all their work. With desperate fanaticism the Spartacists tried to take by storm the Bourgeoisie. "Disarmament, League of Nations, arbitration are but hypocritical phrases of the imperialism of the Entente," says one of their proclamations; "Democracy is the invention of a shrewd Bourgeoisie. Down with the League of Nations and pacifism! Down with democracy! The only lasting peace will be founded on the Internationale of the proletariat. None of your compromises with capitalism and democracy! Down with parliamentarism! Full power to Soldiers' and Workmen's Councils!"

Communists never had been a real danger for Germany. From the first, their number was very small. They never knew how to rally the masses; nor had they succeeded in gaining influence over the large labor organizations, the Syndicates and the Councils of Workmen. They very soon grew intolerable to the immense majority of the nation by their unrestrained violence, by the terrorism they systematically practised. Therefore the violent repression of the Bolshevik agitation by the troops of the non-commissioned officer, Noske, could be carried out without any serious resistance, and without much bloodshed. This was not a glorious chapter in German history. The struggle against the Communists was too often brutal and sometimes dishonored by odious episodes, such as the murder of Liebknecht and Rosa Luxemburg. But it ended in the, at least temporary, crushing of extremists. With its inbred craving for discipline and order, the German people has by no means a revolutionary temperament. The Spartacist movement was caused, on the one hand, by the strained nervous condition engendered by underfeeding, privations of all kinds, and physical and moral distress consequent to the War, and, on the other hand, by the contagion of the Bolshevik

example and the expectation of a universal upheaval. As material conditions improved among the mass of the people in Germany, as it became apparent, after the failures of Bolshevism in Hungary and Poland, that the fire kindled in Russia would remain local and would not spread abroad and as the dire consequences entailed upon the Russian people because of the attempt at thorough-going communism became more distinctly apparent, Spartacism, which had never numbered many adherents, gradually lost its drawing power. Events in Russia particularly proved an efficacious practical lesson for the German working man. The moderates had a good case when they explained that the Russian proletariat, having overthrown the capitalist system before they were ready to take upon themselves the burden of power, had destroyed the whole economic life of the country and led the proletariat to an unheard of state of misery and to unprecedented catastrophes.

At the present time the growth of Spartacism seems extremely unlikely. It has to be sure been strengthened by the mistakes of its adversaries. The anger roused by Noske's brutality, the anxieties aroused by the progress of the parties of the Right, the disgust provoked by the mediocrity of the Majority leaders, the discontent caused by the distressing results of the home and foreign policies practised by the coalition in power, periodically drove the more advanced among the Independents towards the Communists. Thus, in the Congress at Halle, in October, 1920, a schism about the question of connection with the "Third International" took place among the Independents whose left wing joined the Communists. Rather unexpected contacts, however, were made between Left and Right extremists; in August, 1920, there was established at Hamburg, under the direction of Wolfheim and Laufenberg, a group of "National Bolsheviks," who took up again the idea cherished by Radek and Zinowief, of a grand military crusade against western capitalist powers, and tried to make a temporary alliance with the most violent and turbulent elements of Pan-Germanism, thirsting for revenge. But these limited and momentary successes were unable to galvanize Spartacism. Moreover, division arose within the group of Communists: they divided into an infinity of small factions which contended furiously against one another on questions of tactics or personality. At present the chance of success of the Communists seems very small. It has been reckoned that they number about 200,000 members and are represented in the Reichstag by 26 deputies only (out of 468 altogether) and by 30 in the Prussian Landtag (out of 426). Of course an important political and economic crisis or another epidemic of Russian Bolshevism might give them at any moment a new lease of life. It is also to be noted that the Right have exploited the "Red peril" in the endeavor to frighten the Moderates and set them not only against Communists but against Socialism. However, Moderate Socialists have not taken this propaganda seriously.

"We", declared the *Vorwärts* recently, "have long been freed from the fear that German working men might follow the path of Russian working men; it is too late in the day." It really seems that this assurance is justified and that the

danger of a violent social upheaval is improbable in Germany. Apparently moderate opinion is right in believing that on the whole Spartacism has had its day.

The existence of the Independents, properly so called, has been full of vicissitudes. Immediately after the Revolution, their position, between the Spartacists and Majority Social-Democrats, was very difficult. As members of the first Republican government the Independents sided with the Majority Socialists against the extremists. Within the cabinet, they opposed the Majority Socialists with opinions more or less bordering on those of the extremists. The false and ambiguous position in which they were placed rapidly ruined their political credit. The Independents were endangered by the excesses of Spartacists and were soon suspected by the Majority Socialists and even more by the Bourgeois parties, on account of their opposition to violent repression and their tendency to delay the convocation of a National Assembly. The part played by the Independents might have grown greater if, as they had hoped, the Entente had distinguished them among the other parties on account of their attitude on the question of the responsibility for the War, if, in a word, the Entente had singled them out as the logical party to bring about reconciliation with the Allies. But the Entente, alarmed by their radicalism, saw in the Independents only abettors of anarchy and either included them in the general reprobation held toward all Bolsheviks or questioned the sincerity of their idealism and pretended to see in them the accomplices of Majority Socialists entrusted with the task of moving the Allies to pity by fine speeches! Moreover, division arose among themselves, some sympathizing with the moderates, others siding with the extremists; some, with Haase, trying unsuccessfully to become mediators between the Majority Socialists and the Communists; others, with Ledebour, openly taking the part of Spartacism. Under these conditions, the Independents went from defeat to defeat. On December 28, 1918, they retired from the government and left their place to a homogeneous Majority cabinet. The Spartacists' failure completed the ruin of their influence. Henceforth, they could no longer oppose the elections for a National Assembly, nor the convocation of such an Assembly at Weimar. The elections of January 19, 1919, turned out to be disastrous for them. They had to choose between submission to Majority Socialists and stubborn opposition. They resolved upon the latter course and refused cooperation with the government, which the Majority Socialists proposed once again. The Constitution of Weimar was voted in spite of their opposition and without their succeeding in causing the Workmen's Council to be given the share of influence they deemed indispensable. They charged the Majority Socialists with having belied the Revolution brought about by the soldiers and workmen, with having, like the former régime, established their dominion through militarism and with having thus become the prisoners of the Bourgeoisie and the army. They considered that the Majority Socialists had dealt the Revolution a death

blow, and regarded them as incorrigible reactionaries who would make a second revolution necessary.

Then, as the Majority Socialists were not successful in power, as their timorous and paltry opportunism brought them into discredit with the bulk of the people, the Independents found a sudden change taking place in their favor. At the time of the elections on June 5, 1920, they formed a powerful faction including over a million adherents and nearly 5 million electors; they sent to the Reichstag a battalion of 81 deputies. But the very next day after this triumph dissension arose among them. The question of adhering to the "Third International" of Moscow, brought the Right and Left wings of the party into conflict. Some, like Däumig and Stöcker, demanded that the party should subscribe unreservedly to the twenty-one conditions stated by Lenin, and thus incorporate themselves unconditionally into Communism. Others, like Hilferding, Crispian and Dittmann refused to capitulate before Bolshevism and rather inclined to an agreement with the Majority Socialists. At the time of the Congress at Halle, the controversy between the two groups assumed an extraordinarily violent character; they struggled for the possession of the newspapers and of the party funds; they exchanged excommunications, insults, deadly threats and blows. It was at the Congress at Halle (October, 1920) that the final schism took place between the radicals who joined with the Communist party, and the moderates who retained the title of Independents.

The situation of the Independents, caught between the Communists and Majority Socialists, and periodically attracted towards one or the other of these parties was a very difficult one. The division which had taken place during the War among Social Democrats was on the whole rather artificial. It corresponded, in small measure only, to the division into "orthodox" and "revisionists" which had always existed within the Socialist party. In reality, it was explained mainly by personal antipathies and oppositions of temperaments among the leaders. This mutual hostility was very strong: it broke out violently again at the time of the Conference of the Three Internationals in Berlin (April, 1922), in which distrust between Communists, Independents and Majority Socialists prevented any efficient conciliation. But the bulk of the Socialists, at bottom, wished the reconciliation to take place and the leaders felt keenly that discussions were prejudicial and weakened the action of the Socialist groups. The restoration of the unity of the party has therefore always had numerous partisans, either among Majority Socialists (Scheidemann and his friends) or among moderate Independents. The unity of the socialistic front had been temporarily achieved at the time of Kapp's *coup d'état* only to be broken after a very short time. As the peril of the Right became more manifest the tendency towards reconciliation became stronger. The Right wing of the Independents was seen repeatedly supporting Wirth's cabinet and inclining more and more to give up its attitude of uncompromising opposition and to practise a policy of positive action. The conciliation of the different groups was being established at the time of the great popular demonstration of

April 20, when "Freiheit" announced its admiration of "one of the most impressive manifestations Berlin had ever seen against the progress of imperialist and international capitalism." Rathenau's murder removed the last obstacles which prevented their uniting. The very next day after the murder, the Syndicates and the Socialist parties sent to the government, under the form of an appeal, a program of action against monarchist agitation. Negotiations tending to this union were at once begun between the presidents of the two factions—H. Müller for the Majority Socialists and Crispian for the Independents. They ended, on July 4, in the constitution of an agreement (*Arbeits gemeinschaft*) between the Socialist groups. In the beginning of September they agreed on a common program which was to serve as the basis of the intended union. No one doubts that this agreement will be ratified by the Congresses of the Majority Socialists and of the Independents. This is demanded with ever-increasing insistence by the whole of Socialist opinion, and encounters in the press and in public meetings only rare opponents such as Ledebour. It is from this moment certain that in the autumn the unity of the Socialist front, already practically restored, will be officially proclaimed and that United Social Democracy will again form a bloc, either against impenitent Communists or against conservative reaction.

THE BLOC OF MIDDLE PARTIES

At the time of the breakdown of imperial Germany the Majority Socialists, who formed the bulk of the Socialist party, had long been engaged in a policy of moderate nationalism and opportunistic reform, the program of which can be summed up as follows: abroad, a conciliatory peace with the Entente; at home, an alliance with bourgeois idealism with a view to a reform, both democratic and socialistic, of German institutions. They faced the extremists of both Right and Left, the annexationist and conservative imperialists on the one hand, and internationalist Revolutionists on the other hand; they endeavored to bring about a conciliation between Socialists and Democrats and, eventually, the Center. The adhesion, with certain reserves, given by Scheidemann to Chancellor Bethmann-Hollweg, the constitution of the Liberal opposition and the decision for peace in July, 1917, the overthrow of Chancellor Michaelis and the agreement negotiated with Chancellor Hertling mark the principal stages of the obstinate struggle which the Majority Socialists and their allies indefatigably waged against the small but powerful clique of Imperialists, against the politics of the General Staff and against the immoderate greed of war profiteers and of the great capitalist enterprises. At the beginning of 1918 the openly acknowledged failure of Ludendorff's offensive brought them into power. Under Chancellor Max von Baden, Socialists entered the cabinet and took a decisive part in the management of public affairs. The Revolution of November, 1918, therefore, presented a momentous problem for them. Were they going to persevere in the course they had pursued ever since the beginning of the War? Or were they going to make the most of the popular movement which carried them to the head of

the government and impose on the nation the vigorous application of integral collectivism? When, under the pressure of circumstances, and in view of the sudden collapse of the Bourgeois parties, they were led to extend the hand to the victors of the day, that is to say to the Independents, the question was asked whether they were not going to make this coalition permanent. Let us examine the motives which changed their resolution.

Before the War, socialism enjoyed a considerable prestige among the German people. Being a party of determined and irreconcilable opposition, treated by the government as an enemy, considered "subversive" by the imperial government, it attracted not only the convinced partisans of the collectivist ideal but, as a rule, all those who wanted to show energetically their antagonism to the imperial régime. On account of the very proscription laid upon it, its power was enormous. The Socialist faith and its password of the struggle of classes afforded wonderfully efficient means of propaganda. It succeeded in grouping, educating and disciplining large numbers, in impressing them with class feeling, in organizing them towards common action. This was unquestionably a great work, but, in a certain sense at least, chiefly negative. In fact, the Marxian doctrine condemned the capitalist system, but did not allow the elaboration of a positive program of reorganization. Hegel and after him Marx taught that capitalism, as it develops and perfects itself, gradually evolves toward collectivism by an inevitable logic. Therefore, the Socialist party must be content to gather the fruit when it is ripe. It must be ready to seize political power when it drops from the hands of the richer classes. At that time, capitalism will spontaneously and necessarily turn into collectivism. When the Revolution of 1918 suddenly brought Social Democracy to power, it had no complete program for the practical realization of its ideal. Its representatives were completely taken aback when they had to give concrete organization to the German *Socialist* Republic, which had been proclaimed.

Was it possible to realize at once integral collectivism in the new Germany? Nothing could be more doubtful. In order that a "Gemeinwirtschaft", an economic régime based upon solidarity, might be made practically successful it was necessary that a spirit of association and solidarity and devotion to the common weal should be sufficiently general among the individuals who were to live and work in common. Was this the case? One of the consequences of the War had been the "wave of idleness" caused by physical exhaustion, underfeeding and an excess of nervous tension. Workmen, kept in the army for long years, had lost the habit of and the taste for work. Those who came back to their homes were not as a rule moved by very idealistic tendencies. Dispirited by the oppression of military authority, accustomed to execute passively the orders given, they became past masters in the art of shirking. Demoralized as they were by the success of the profiteers, the demobilized men were totally devoid of civic enthusiasm; they wanted to work less and earn more and to shake off the yoke of discipline. Egotism was rampant everywhere, among the workman, the field laborer

and the officials themselves. Each was for himself alone. No one cared about the common welfare. Was it possible with such human material to begin at once the work of "socialization" without the risk of a catastrophe? The bulk of German Socialists shrank from such a prospect. Their leaders felt that they had not the right to stake the very existence of Germany on that card. They estimated that there was no way of reviving the country, exhausted by an interminable war, or of paying off the enormous sums Germany owed her victors except by increasing production to the utmost. Such a course could, however, only be pursued by making use of the capitalist system; it was impossible to ignore the fact that "socialization" would, at least temporarily, lessen production and that a collectivist working system was very likely to cost more than private industry. The Socialists felt that the bulk of their followers would shrink from dangerous experiments and would not too reluctantly put up with postponing their theoretical claims, if only tolerable conditions of existence could be procured for the German proletariat. Some of the Socialists perfectly understood and frankly declared that the working classes must acquire their political and economic education through the Workmen's and Clerks' Councils before they ventured to take in hand the management of important affairs, and that it would be a blunder to assume the responsibility of power before an élite of leaders had been trained within their own party. On the whole they admitted that, as a rule, as Otto Bauer's phrase is, "it is better to work in a capitalist factory than to starve in the gutter outside that factory." They therefore refused to take advantage of the breakdown of the former régime to attempt to bring about a radical economic upheaval. Their union with the Independents did not last long. The excesses of the Spartacists caused everywhere a movement of reaction. At the same time, it was apparent that the organization of the Bourgeoisie had remained untouched. In fact, the army and administration came through the revolutionary storm without sustaining any material injuries. The organization of the state remained practically unchanged. The sovereigns, as they departed, unanimously recommended to their officials not to desert their posts and they were obeyed. The personnel of the ministerial departments remained the same; the chief administration did not change; the generals in command of the districts and the directors of public services or large banks were not dismissed nor did they resign their posts. The army remained for the greater part in the hands of its chiefs. Hence a collaboration was rapidly organized between the leaders of the Revolution and the former rulers. Supreme authority did belong to Socialists, but they exercised it with the help of the machinery of the former régime. The highest offices in the state were in the hands of the men of the Revolution, but under them the great bureaucratic and capitalist machine went on working almost normally. And thus the coalition of Majority Socialists with their Bourgeois allies came about quite naturally. On December 28, 1918, the precarious union of Majority Socialists and Independents was dissolved. Since the elections of January 19 did not give to Social Democrats a majority allowing

them to govern alone, on February 13, in the constitution of Scheidemann's cabinet, they merely returned to their traditional policy of conciliation with the Democrats and the Center. Scheidemann's cabinet, which commanded a striking majority of 326 votes—163 Socialist votes and 163 Bourgeois votes—out of 421 deputies in the National Assembly, was the direct continuation of Max von Baden's cabinet.

The coalition of Majority Socialists with Democrats and Center has on the whole been maintained to this day. It has certainly been attacked with the utmost violence by the Right and by the Left. Later on we will examine the criticisms from the reactionary side. Those uttered by the Revolutionists were no less vehement. Between the two rival factions of Socialism the struggle was resumed with extraordinary fierceness after a short-lived association. The Independents did not shrink from reproaching the Majority Socialists with jeopardizing the Revolution, with ruling merely by grace of the Bourgeoisie and with governing the country with Max von Baden's officials and Hindenburg's soldiers. They protested with increasing anger against the repression practised by Noske. They denounced the Socialists' inability to realize their own program, their caution regarding the capitalist interests, their weakness in the face of the insolence of the reactionaries. They charged them with preparing the way for a reactionary stroke of violence. It is difficult to assert that these grievances were totally groundless. The Majority Socialists themselves were not quite easy (they are not so even at the present time) as to the possibility of a counter-revolution. But they replied that the extremists, by their uncompromising radicalism, by their Bolshevik excesses and by their inability to bow to the conditions necessary for practical action thwarted the natural development of the Republic and played into the hands of their opponents. The controversy has thus been going on up to the present day between these hostile members of the same political family, now with almost frenzied violence, now with more reserve, in the measure that the idea of the unification of the Socialist party has developed.

The bloc of the Middle parties knew, on the other hand, the difficulty inherent to all coalitions; each of the parties complained that it did not enjoy the share of authority to which it had a right. The mutual recriminations between Socialists and Bourgeoisie were sometimes very sharp and have never ceased at any time.

Majority Socialists bitterly complained of the timidity or the ill will with which the Bourgeois parties regarded the realization of any efficient reform; on all important questions—financial reform, the taxation of acquired wealth, the participation of Workmen's Councils in the management of affairs, the socialization of large enterprises, etc.—they were never free to act efficiently and adequately. The Majority Socialists felt so keenly the prejudice against them caused by their policy of compromises and by the mediocrity of the results obtained that, after the elections of 1920 in which they had met with a grievous defeat, they considered it useful to show their discontent in a significant manner

by ostensibly withdrawing from the coalition, by refusing to participate officially in the government and by merely tolerating the formation of a Bourgeois cabinet, which, as it had not the majority of the Reichstag, depended on their votes alone.

In their turn the Bourgeois parties of the Left set forth grievances the strength of which it is difficult to overlook. First, they complained of the imperious attitude and unlimited demands of their associates who considered themselves the masters in the coalition and could not be satisfied by any concessions whatsoever. Moreover, they accused them of being illogical. Social Democracy made a compact with the Bourgeoisie of the Left in order to secure the triumph of the Democratic republic, but it lacked courage to carry out its compact, and made regrettable concessions to "Left demagogism". "You can not," said the Bourgeoisie of the Left, "invoke the democratic principle and yet maintain the principle of the struggle of classes, which is the very negation of democracy." The Social Democrats dared not, however, give up the propaganda of class struggle which had been very effective and to which they owed their extraordinary successes before the War. They would not acknowledge that the governing party had no right to resort to measures which would stir up discontent which in turn could be exploited by a practically powerless and irresponsible opposition; they did not understand that it was illogical to want democracy, that is to say, the government for the benefit of all, and to proclaim at the same time the antagonism of classes as inevitable. The struggle of classes logically leads to insurrection and to the dictatorship of the proletariat; it is incompatible with the regular working of a democratic régime. If Social Democracy, through fear of the extremists of the Left, persisted in this illogical attitude and insisted on discussing questions relating to taxes, finances, officials and administration, in a provocative phraseology based on the principles of an obsolete dogmatism, they played into the hands of the Right. It was necessary that the political solidarity between Democrats, Republicans and Socialists should prove stronger than the class solidarity of the proletariat, otherwise the outcome would be the triumph of reaction, not only political but social. As the Majority Socialists never acknowledged the strength of this argument and never dared, for the sake of their workmen followers, to give up the principle of the struggle of classes, the cooperation of Socialists and Bourgeois parties was not always harmonious.

However, in spite of its internal dissensions, in spite also of the attacks of the extremists, the coalition of the middle parties has subsisted without important changes. It has, of course, experienced perceptible fluctuations, but never has been actually dissolved. Majority-Social Democracy exercised a prevailing influence at first. This influence it still preserved, after the election of January 19, 1919. The National Assembly indeed included a compact group of 163 Socialists, who did not command alone the full majority and so were obliged to unite with the Democrats and the Center, but who formed the essential element of all majorities. The temporary secession of Democrats who, after the vote of the

Treaty of Versailles, momentarily separated from the coalition, did not shake their domination. The exercise of power was, however, fatal to them: the harshness of the methods of repression of the revolutionary troubles estranged the working classes; the difficulties resulting from the execution of the Treaty of Versailles alienated part of the Bourgeoisie toward the Right. The result of this evolution was shown (in the elections of June 6, 1920) by a considerable weakening of the bloc of the Left; Majority Socialists found their number lessening to the benefit of Independents and Communists; thanks to its strong discipline the Center practically held its position; but the Democrats suffered a real disaster and lost half their seats, while the German Nationalists, particularly all the Populist party, found their numbers considerably increased. Drawing from this failure the lesson it held for them, the Socialists then endeavored to reinstate themselves, if not by opposition, at least by the adoption of a neutral and reserved attitude. They yielded to the Bourgeois parties the responsibility of providing the Chancellors, Fehrenback and then Wirth. But as the Center and the Democrats did not command the majority and, moreover, as the necessities of foreign policy did not allow them to extend their majority toward the Right, it was still really the coalition of the middle parties which practically exercised the power, even though theoretically the Socialists kept aloof during the ministry of Fehrenback, and the Democrats withdrew during the second ministry of Wirth.

In spite of the dominant position they occupied in the bloc of the Left, the Socialists after nearly four years had obtained from their own point of view only very slight results.

They endowed the German Republic with a Constitution worked out with great difficulty, violently discussed and finally ratified without enthusiasm in spite of the opposition of extremists of both Right and Left. It disappointed the enthusiasts for unity because it did not declare the German Republic one and indivisible, it allowed the former landed estates to subsist almost untouched, it did not achieve the partition of Prussia, whose hegemony had become hateful to everybody, and it did not remove the danger of separatism. Nevertheless, it dissatisfied Federalists because it instituted a centralization which made the autonomy of the states rather precarious and maintained their subordination to Berlin. It roused the anger of Independents because it gave too small a part to Workmen's Councils in public life. It antagonized the Right on account of its democratic tendencies and because it abolished the black, white and red flag, the "symbol of the heroism of the German people." It alarmed Democrats because, by adopting the principle of the election of the President by the people and allowing him powers in some ways almost dictatorial, it permitted partisans of the prewar order eventually to elect by a plebiscite a popular general or even a member of a former reigning family, and thus to prepare the restoration of the monarchy by legal means. In spite, however, of its fragmentary and composite character and although, instead of opening a new era it was a transition between the past and the future, it must be acknowledged that the Constitution of Weimar instituted

in Germany a régime of order which has been able to function, up to the present time, without too troublesome crises.

The participation of workmen in the management of economic enterprises was authorized by a compromise which allowed the workmen but a very limited share of influence. The Revolution of November, 1918, had been made by the Workmen's and Soldiers' Councils and for a long time these Councils, which were the very incarnation of the revolutionary spirit, had vehemently contended for power with the Assembly elected by the nation. Gradually, however, the government and the Reichstag had won. The final problem was how to provide legally for a place in the Constitution for the Councils. This question could be solved only by a compromise between the Socialists and the Bourgeois parties. After bitter discussions, this compromise finally was agreed upon and took shape, in the law of January 18, 1920, in the Management Committees. It could not possibly satisfy anybody as each party had had to consent to painful concessions. The Majority Socialists thought, however, that the newly voted law, in spite of its imperfections, had been made necessary by an evolution which it would have been dangerous to oppose, that it represented real progress, and, if loyally carried out, might contribute to the restoration of Germany. But it roused the impassioned opposition, not only of the Right and of the Employers' Syndicates but also of the extreme Left. The Independents insisted vociferously that this scheme was nothing but a snare and a delusion, that it was going to deal the finishing stroke to the revolutionary movement in Germany. They even went so far as to try to hinder the final vote by invading the Reichstag on January 13. The law was carried, nevertheless, and the workmen's control organized in the factories and isolated enterprises. It was to be completed by a law instituting the representation of workmen in the manufacturing districts and in the whole of the Reich. This law has not yet been brought into existence. The Economic Council of the Reich, appointed by the law of May, 1920, which grouped into a kind of economic parliament the representatives of agriculture, industry and commerce, artisans, officials and consumers, was not established on the basis of the Management Committees and the laborers and employees could not exert direct influence upon the appointment of their delegates. This merely consultative Council was only a temporary expedient and could not possibly take the place of an economic parliament, the organization of which was postponed.

The Majority Socialists proved entirely unable to apply in the new Germany, the Marxian principle of the socialization of property. All they had been able to do was to appoint a Commission of Socialization to study the problem—with, among others, at the beginning, Professors Ballod and Franke, Walter Rathenau and Kautsky. But they were careful not to attempt any subversively radical measures! Even before the War, and much more since, many people (not all Socialists) held that State monopolies were preferable to private monopolies, that speculators and numerous intermediate agents ought to disappear and that in all departments private interests should be made subservient to public interest. It

was acknowledged that mineral wealth could be worked out to the benefit of the community, that mines and perhaps also the large metallurgic enterprises were almost ready for socialization, that the means of communication, the cement and potash industries, perhaps also the production of electric energy, the management of gas and waterworks, and even, eventually, chemical industry might be made state monopolies. Those who were then governing the new Germany never contemplated more radical reforms than these just cited, which had not frightened even very Bourgeois economists. But unfortunately for them they could put none of these reforms into effect. Even the socialization of coal mines, long debated by many commissions and subcommissions, finally failed after endless discussions in spite of the almost threatening protests of the workmen. After this complete failure the Commission for Socialization, on which such great hopes had been founded, disappeared, amidst general indifference.

Not only were none of the main claims of collectivism realized, but on a rather important point they took a step backwards, if compared with conditions in war time. We know that in order to remedy the scarcity of food and raw materials, caused by the blockade, the imperial government had largely dispossessed private trade, centralized the buying and controlled the distribution of most edibles and many kinds of raw material or even manufactured products. Germany thus lay under a state of economic control (tempered, it is true, by constantly increasing smuggling) which had rapidly grown quite unpopular in almost all classes of society. This "war socialism," particularly hateful to the Right, to the agriculturists, producers and traders of all kinds, was abolished as soon as circumstances permitted. The Socialists were unable to resist the pressure of general opinion uncompromisingly hostile to this oppressive and vexatious system and determined to do away with the costly administrative machinery which it required. The last vestiges of economic control were fast disappearing. The Socialists, when they tried to protect the consumers from the rise in prices due to the suppression of rations, found a coalition forming in the Reichstag of all the Bourgeois parties, and had to beat a retreat.

In matters of financial reform and legislation, the Socialists were rendered powerless by their allies and found themselves unable to crush the selfish resistance which the richer classes opposed to all serious attempts at taxation of acquired wealth. They did not succeed in carrying out the rather radical financial reform brought forward in the Reichstag by Erzberger. They are now making a fairly vigorous campaign to compel the government to settle the financial chaos by really energetic financial measures. They are trying to force upon Chancellor Wirth a financial reform which will help the Reich to acquire the huge sums needed to keep their promises to the Entente, by taxing heavily those who hold the material wealth of the country instead of oppressing with additional demands the tax payers with fixed incomes, or demanding from consumers increased indirect taxes. But they have not yet definitely succeeded in putting to a practical test the fairly radical schemes worked out by their technicians and recommended

in their papers. These include seizing all values in gold, the establishment of a compulsory mortgage on landed property, the obligatory share of the state in industrial profits, etc.

The influence regained by the Bourgeoisie was rapidly making itself felt in German foreign policy through a marked renewal of nationalism. The Independents, as we said before, absolutely rejected any solidarity with the past and endeavored to prepare a better future by a frank avowal of German guilt. The Majority Socialists had gone far, especially in the Congress at Geneva,¹ in the avowal of the responsibility incurred by Germany. Nevertheless, they could not ignore the fact that they had been very loyal during the War and had shown their solidarity with Nationalist Germany to such an extent that some of them had been called "Social-patriots" by the Independents who were more uncompromising in their opposition to imperialism. The foreign policy of the German Republic obviously therefore carried on that of Chancellor Max von Baden. Count Brockdorff-Rantzau, who, from December 20, 1918, assumed the direction of foreign affairs, was a professional diplomatist, and a member of the old aristocracy who quite naturally resumed the curt and peremptory tone of Germany's former masters. His first declarations to the press and before the National Assembly, the bitter protests raised by Erzberger at Treves in January and especially in February at the time of the negotiations for the renewal of the Armistice, the tone of the note by which Scheidemann made known on February 6 his compulsory submission to the conditions dictated by the Allies, the growing bitterness of controversies in the press, all these symptoms pointed to a return of nationalism in German foreign policy. There were no more signs of repentance, there was on the contrary vociferous disapproval of "flagellants" who fancied they could disarm the victors by dangerous and untimely confessions. The pity of the Entente was no longer implored. There was no further pose of objectivity which affected to weigh impartially the wrongs of each. Since playing the humiliating rôle of the vanquished had not accomplished anything for Germany, Germans were now ready to speak their mind. They argued vigorously on every question. They protested that Germany would accept nothing but a just peace. They claimed that the conditions forced upon Germany were contrary to President Wilson's fourteen articles. They stirred German opinion by a vehement campaign about German prisoners retained by the Entente. They were indignant at the blockade of famine maintained contrary to the laws of humanity, at the delivery of rolling stock and agricultural machinery demanded by the Entente, at the confiscation of the German fleet, at the annexation of colonies and at the prolonged occupation of German territories by Allied troops. They were at heart convinced that Alsace-Lorraine was irretrievably lost to Germany, but they never missed an opportunity to arouse German feeling by showing in the most unfavorable light all the measures taken by the French administration for the reintegration into the French organism of the annexed provinces and they fostered by the most

¹On the responsibility for the War, see *post*, p. 72.

artificial means a campaign to make the Germans admit the existence of an Alsace-Lorraine irredentist feeling. They tried, with increasing conviction and violence, to oppose the Polish claims, which were extremely dangerous for Germany and which threatened to cut off from the Reich one of its richest manufacturing and mining districts, Upper Silesia, and to isolate East Prussia from the rest of the Reich. They took the offensive by vigorously encouraging the campaign in favor of uniting German Austria with the Reich and forming a "Great Germany" of 80 million inhabitants. They declared that a nation of that size could not be reduced to economic bondage or kept out of the League of Nations. They threatened, in case the Entente demanded unacceptable conditions, to resort to passive resistance, to stop the negotiations and to refuse to sign the Peace Treaty. The general tone of the Social Democrats' controversy is typically represented in the resolution adopted on January 21, 1919, by the National Assembly:

The German people expects a just peace. . . .

The attitude of the Entente, protracting the blockade of famine, retaining the most important materials and refusing to yield up our prisoners, drives the German people to despair and the National Assembly utters a solemn protest before the whole world.

In short the new Germany, when just constituted, opened a campaign of resistance to the Entente which we have characterized above and which will be studied more closely in the next chapter.

The new German Republic, born of the Revolution and in which Social Democracy ruled with its Bourgeois allies, remains rather enigmatic on the whole, when one tries to form a general opinion of its state of mind. It is certain that it understood that the former imperialist rulers had committed grievous blunders and it dismissed these rulers with a total absence of sentimentalism somewhat as an Assembly of rebellious shareholders might dismiss an incompetent board who had brought the company which they administered into bankruptcy. Did this act show that Germany definitely repudiated her imperialistic past or did she expel her leaders because they had committed the grave offense of not achieving success? This question was asked by French opinion the very day after the Revolution. It can not be said that even at the present day the question has been satisfactorily answered.

The Independents honestly confessed the guilt of Germany and passed sincere and absolute condemnation on the former government. But, was their attitude understood by their compatriots? Did they represent the awakening moral conscience of Germany. Were they really the guides who were to lead her toward her new future? French opinion was made suspicious by the sympathies expressed for Bolshevism by the Left wing of the party, and wonder was aroused whether such tendencies were not driving the German working classes into rather alarming ventures. On the other hand, French opinion speculated as to how far

the power of such personalities as Breitscheid, or free thinkers like Gerlach, Förster and Count Kessler, extended, whether it could be hoped that their ideas would gradually spread among the masses, or whether they were a mere handful of idealists misunderstood by the crowd, scorned by the majority and without any material influence on the country.

The new Germany seemed for the moment to find her typical representatives among the Majority Socialists and Reformist Democrats. But many people wondered how far Scheidemann's and Ebert's republic deserved confidence. Was it anything more than a change of front? It evidently had raised to power some men of whom some, such as Erzberger, largely shared the illusions and desires of Pan-Germanist imperialism and others, like Scheidemann, had only tardily and inadequately manifested their opposition to the policy of conquest of the Reich. It was felt that, in their anxiety to secure the continuity of the administration and not to endanger the turning of the main wheels of the state, the leaders of the new Republic, too often, kept at their posts or even appointed to important offices politically unsafe men of the former régime. The old parties apparently subsisted under new names and continued to exercise considerable influence in the country and in the Parliament. It was inferred from various speeches or declarations of the representatives of the young Republic that it continued in many ways the mistakes of the monarchy. Under these conditions, one wondered whether the transformation of Germany was indeed real. When we heard the Independents proclaim their deep distrust of their former comrades (whom they angrily accused of maneuvering to bring about the restoration of militarism and nationalism) and proclaim their indignation at the alliance of Scheidemann with the headquarters, it was natural that we should wonder whether there was not some truth in these statements and whether the decisive change had really taken place which would enable us to trust Germany and admit her unreservedly into the League of Nations.

Assuredly, the German Revolution could be interpreted as a signal disavowal of militarism, but could it not also be interpreted as a defensive attitude deliberately assumed by Germany in order to get out of the scrape in which she had involved herself by beginning the War? According to this supposition, the Germans, considering themselves lost, would suddenly have cringed before their adversaries to avoid being crushed by them. They would have surrendered unconditionally, deeming that on the whole this course was much less dangerous than resistance, which would unquestionably have ended in disaster. They would have subscribed to all the conditions imposed, intending later to contest step by step the fulfilment of their obligations. They would play upon the differences among the Allies in order to obtain a gradual amelioration of original conditions. They would endeavor to bring American generosity and English commercial good sense into conflict with the stupid covetousness and unreasonable spite of the French. They would assume a saintly appearance in order to be readmitted into the society of European nations. Moreover, they would cavil

like shrewd advocates to reduce as much as possible the claims of the adverse party and to get off cheaply. Fundamentally, they would remain true to their thoroughly matter-of-fact temperament and to their policy of might. Their Socialism and their democracy would simply be in proportion to their weakness. As they recruited their strength their real nature would come uppermost. They would gradually resume their imperialistic state of mind and their ambitions of universal expansion. Scheidemann would remain at the head as long as Germany was down; but as soon as she had resumed her normal condition Ludendorff would reappear. That was the deep-rooted doubt (perhaps unjustified but difficult to be gainsaid) which manifested itself directly after the Revolution among numbers of French observers, and which has not vanished to this day. It is not likely to do so in view of the fact that the progress of the opposition of the Right has become evident to the whole world.

THE PARTIES OF THE RIGHT

When in November, 1918, the Revolution swept away the former régime almost without resistance and brought to power the Socialist party, the great majority of the people agreed to throw the blame on the militarist and conservative faction for the responsibility of the German breakdown: if they refused to admit, as the statesmen of the Entente asserted, that German militarism was alone responsible for the War, they at least generally admitted that it had had a large part in the breaking out of the cataclysm, that it had prolonged the War by its desire for conquest and its boundless ambitions, that it had committed the folly of forcing America to enter the struggle by waging unrestricted submarine warfare, that it had not known how to settle in time the disastrous venture into which it had launched and had thus by its obstinacy and blindness thrown the German people into an unprecedented catastrophe. They laid the blame on German militarism for the misfortunes of the country and set their hopes on the rise of a new democratic Germany which would reject all solidarity with the faults of the former régime and would win the confidence of the peoples of the Entente and repair the ruins caused by five years of a dreadful war. During the period immediately following the outbreak of the Revolution, the unpopularity of the leaders of the "old" Germany and of the privileged class which formerly supported them was extreme. It may be an exaggeration to say that the Right was seized with fright and sought refuge in complete silence, but one may at least say that it unquestionably showed great prudence at the beginning either as to attack or defense.

This reserved attitude did not last. The Right very rapidly recovered. The prewar parties were recast under new names. The Conservatives became the German National party, the National Liberals called themselves the German Populist party; they ran for election to the National Assembly and obtained 42 and 21 seats, respectively. From that time their boldness increased almost from week to week. A year after the revolutionary crisis, it was clear that a national-

istic wave had flooded Germany and that a strong impulse towards the Right was moving public opinion. All the papers vied in proclaiming it. "The German people," proclaimed the *Kreuz Zeitung* (November 15, 1919) "rejects the Republic with an ever-growing majority, rejects corrupted democracy and the ruinous economic policy of Socialism." The *Frankfurter Zeitung* (November 23, 1919) ironically observed "he who has ears to hear political rumors knows that German Bourgeoisie has for the most part gone over to the German Nationalists. In society in the north as well as in the south, it is already 'the thing' to repeat between fish and roast the statements of the nationalistic press and to deduce from them an overwhelming case against the German government of the day." On the Socialist side, Scheidemann constantly repeated in the Reichstag, in public meetings and in the *Vorwärts* (November 15) that the danger came from the Right, and exhorted his political adherents to do away with the disagreements which divided them and unite in a fight "in which the life or death of democracy is at stake." The development of an evolution of German opinion towards the Right was therefore accepted by everybody. Let us first analyze what is to be found in the conservative "legend" which arose as early as the first year of the German Republic, and see how it was circulated.

The great fallacy of the Left—so the conservatives said—was the chimerical hope in the possibility of a peace of compromise and a naïve faith in President Wilson's power to bring about a just peace. The facts they said were quite different. Never had England and France altered their will to annihilate the Central Empires. The political and economic interests of the United States led that nation to support England and President Wilson could not act contrary to the public opinion of his country. It was therefore certain that America was determined in any case, no matter what the attitude of Germany might be, to come to the aid of England and therefore to wage war on Germany, unless they could, under pretext of mediating, urge the Germans to a shameful and disastrous capitulation.

The error of the Democrats and German pacifists, the conservatives continued, has been not to see these dispositions clearly. The democratic diplomat, Count Bernstorff, persisted in the absurd idea that they must at any cost beg for the mediation of America in spite of her prejudices against Germany, because it was the only way to prevent her from taking part in the War. Whereas the only attitude possible was to oppose to the implacable, annihilating will of the Allies a no less implacable resolution of resistance, or better, of victory; when the only policy was to conquer at any cost and by any means, to wage war to the end without letting any consideration stop her, Germany in April, 1916, appealed to the mediation of the United States. That was a mistake. If she had resolutely declared unrestricted submarine warfare at the beginning of 1916 it is not at all sure that America would have come into the War, because of home politics and because the imminent presidential election might have been an influence against such a momentous act. As a matter of fact the German Navy from the month of

March, 1916, onward was powerful enough to sink 600,000 tons every month. Whereas from March, 1916, to January, 1917, inclusive, the submarines actually sank $2\frac{1}{2}$ million tons they could have destroyed during that period $6\frac{1}{2}$ million tons. The whole issue of the War might have been altered! Instead of that what was done? After making the mistake of postponing unrestricted submarine warfare for a year, the government made a second mistake by publicly launching in the Reichstag on December 12, 1916, its famous proposal of peace, although knowing it had no chance of success, since President Wilson had not even found an opportunity to propose mediation. Naturally this step and the moderation of German offers was immediately construed by the Entente as a sign of weakness.

However, the case was not yet hopeless because, at the beginning of 1917, the German Government at last became sufficiently energetic to disregard the American threat and to declare unrestricted submarine warfare. But the Left, by a really criminal policy, undermined the effects of military action. The secret memorandum, delivered on April 12 by Count Czernin to the Emperor of Austria, which made full avowal of the distress of the Danubian monarchy, fell—owing to Erzberger's indiscretion—into the hands of foreign governments. By exerting pressure upon the Reichstag with this document, Erzberger, on July 6, brought the matter before the Budget Commission, caused the declaration of peace to be voted on July 17 and precipitated the governmental crisis in which Bethmann-Hollweg was overthrown. At this precise moment, as a consequence of the effects of submarine warfare, England was "on the brink of defeat." Czernin's pessimism and the criminal behavior of the Left gave her courage to continue the struggle. From that time she had no better auxiliary than German Revolutionists and Democrats whose nefarious propaganda ruined the morale of the soldiers and stabbed the German Army in the back. Chancellor Michaelis was induced to oppose by force the baneful influence of the Independents upon the soldiers and particularly among the sailors. Ruining the morale of the nation by their propaganda in favor of peace, destroying the faith in victory and discipline in the army by an abominable propaganda, democratic and pacifist Socialists paralyzed the prodigious national effort exerted by the General Staff and thus were responsible for the national collapse at the end of 1918. The government failed through weakness. The opposition of the Left was criminal.

The incredible blindness of the parties of the Left, the conservatives affirmed, was more than ever manifest when once the issue of the War was decided. In order that defeat should not turn into disaster, one attitude alone was possible, that of steadfast resolution. The enemy must be assured that if, on the one hand, Germany was consenting to great sacrifices to gain peace, on the other hand she was ready to endure unlimited suffering and to resist with desperate energy any attempt to force upon her an ignominious capitulation. This was the point of view of Ludendorff and of headquarters. The Left, however, had lately set their hopes on American mediation, preserving their faith in President Wilson in

spite of all that had passed. They fancied that through him they would be able to obtain from the Entente a just peace; to please him they submitted to everything, consented to all humiliations, and threw overboard their Constitution and their Emperor. Thus the Revolution of November 9 came about, the work of a small minority which all the greater parties disowned and forswore, but which none the less was the logical sequence of all that preceded it and which, after its apparent public success, was accepted as a fact by the bulk of the nation. Thanks to Hindenburg's abnegation, remaining at his post and preserving order in the army, the demobilization was carried out without disaster and the Revolution did not end in anarchy. The Left, nevertheless, had sacrificed Germany, Prussia, the army and all the glorious imperial past for the chimerical hope of ingratiating itself with President Wilson and of escaping, with his help, from the annihilating will of the enemies.

After the Armistice, the Peace of Versailles! This time, the conservatives affirm, it became obvious to everybody, even to the most incorrigible optimists, that President Wilson had failed. Nay, more, that he had consciously and wilfully betrayed the confidence which the Germans had placed in him. Were they at last going to face the truth? Not yet. After believing in President Wilson they transferred their hope to the League of Nations which would revise the Treaty and bring about the reign of justice in reconciled Europe! The awful lesson taught by the facts with staggering clearness that if the Germans wanted to recover from their terrible downfall they had but one means by which to do it, namely, by the moral regeneration of national strength, had been taught in vain. Instead of trying to arouse in the people hatred of oppression and a keen sense of honor; instead of appealing to national energies and reviving the glorious memory of Fichte, Stein and Arnot; instead of rekindling the spirit of the struggle for independence and of making the people understand that they must not tremble before the oppressors but have courage to resist regardless of threats, the leaders kept telling the Germans that the only way was to bow their heads and wait for the future advent of internationalism and pacifism. And Erzberger, the wicked supporter of the resolution of peace and of the armistice negotiations, crowned his crimes by mustering a majority to ratify the Treaty of Versailles! He persuaded Germany to accept her humiliation although not forced by physical necessity!

The development of the tactics of the conservatives can be easily followed. They played upon the increasing discontent in Germany: in proportion as pessimism grew and spread, their theory gained ground. The parties of the Left supported the view of at least relative optimism in order to persuade the nation to accept the necessary sacrifices; Democrats and Socialists held out dazzling hopes that renovated and transformed Germany would obtain from Wilson or from the League of Nations conditions of peace allowing her to revive and recover from the disaster which had crushed her. However, Germany became more and more painfully aware of the sacrifices demanded of her, of the overwhelming

burden imposed upon her by the debts of the War and by the reparations demanded, and of the economic uneasiness, every day more acute, which endangered her very existence. She did not know at the beginning of the winter of 1920 how she was going to be fed and warmed nor how her railways were going to operate; she faced a financial problem the solution of which no one knew, for the budget proposed by Erzberger did not take into account the debts to the Allies. The foolish expedition of Von der Goltz in the Baltic countries brought insults upon Germany and ended in disaster; German prisoners were still held captive! The conservatives took advantage of all these grievances. They purposely emphasized them in the manner most painful to national pride; they paraded them and envenomed them and drew from them arguments against the government and the majority parties. The conservatives charged the men in power with having uselessly humiliated the country, with having proved themselves entirely incapable of minimizing suffering and outrage and with being responsible for all the ills of Germany by their chimerical spirit and by their moral powerlessness. They reproached them with fostering in the nation a spirit of discouragement, of resignation and of cowardice. Everything was being rationed, said the conservatives —*even hatred!* The Left was afraid lest, by allowing the sacred flame of anger to kindle in the soul of the crowd, they might arouse the distrust of the Allies against Germany and, even more, that they might revive in the people the monarchic feeling, preserver of patriotic discipline. By constant comparison between the glorious and prosperous past and the present distress, the conservatives endeavored to intensify the regret for bygone days. By stimulating in the Germans the realization of their misfortunes and the consciousness of their downfall, they separated them from the leaders who were directing the disastrous settlement of the War and persuaded them that they had nothing left to lose, that patience and resignation were of no avail, that faith in justice was a delusion and that hope in the League of Nations was a mere utopia. Thus the conservatives gradually inclined the people to the idea that hatred alone could bring about their recovery and that the only possible attitude was to turn their thoughts inward, to rebuild their strength and to conserve their energy till Germany was in a position to make a new attempt. Either victorious or vanquished, the Right therefore exhibited the same pessimistic faith in the perpetuity of war and of unlimited struggle for power. Bismarck, after the German victory, accepted the annexation of Alsace-Lorraine although he knew that France could not give her sincere consent to such a gross violation of right; indeed he thought France would in any case thirst for revenge and that as war was a certainty, whatever was done, it was useless to spare the vanquished people. After the present German defeat, Count Westarp and his friends were still urged on by the same pessimistic spirit of realism. They thought that Germany could follow no better policy than to renew the movement of 1813 for a regrouping of the world powers which would thwart the plans of her rivals. Democratic and pacifist optimism was being put to the test throughout the world. Was it astonishing that in Germany, particularly,

many believed that this optimism had once more failed and that force alone ruled the world?

The German Nationalists at that time were fairly numerous. They included, as formerly, the aristocratic caste of great landowners and higher officials of the former régime. The officers and other professional soldiers dismissed from the service on account of disarmament, having lost their material and social privileges and often living under very precarious conditions, furnished the "storm troops" ready to act, restless, eager for battle and always ready for a stroke of violence. The humiliation of defeat was felt most keenly by university students and professors, bred in the traditions of the "policy of might" and in whom pride in German power had developed the fiercest arrogance. Their material situation had been made very hard by the general ruin of the middle classes; they sided almost unanimously with those who wanted to overthrow the present state of things, who inscribed at the head of their program the restoration of German militarism and noisily revived memories of 1813. Country people, traditionally conservative and resolutely anti-collectivist, formed the bulk of the party. They had been enriched by the War and were hostile to the régime of economic compulsion and to socialism which had reduced their profits. They were also permanently antagonistic to city workmen whom they had to feed at reduced prices. Lastly, we must mention as an important contingent of the Nationalists (as we shall see later) workmen connected with Christian syndicates.

The German Nationalists excelled in the art of exploiting, for the benefit of the national monarchic and Germanic idea, the hatreds of the former privileged classes, the resentments of the demobilized army, the fear of Bolshevism, the anti-Semitic passions (we know that Jews are very numerous among Democrats and Socialists), the general uneasiness caused by breaking with the past and the hatred roused by the attitude of the Entente, specially of France, against the vanquished nation. They were clever enough to throw upon the other parties directly after the disaster the unenviable responsibilities of power. They rallied around them not only embittered Pan-Germanists impatient for vengeance but the mass of the malcontents who felt they had been wronged in their interests and ambitions, intellectual pessimists who drew from the universal catastrophe new faith in the efficiency of might, rebels who dreamed of screening Germany from the consequences of an unacceptable peace; they declared the parties of the Left too pusillanimous in face of the threats of the Entente and too cowardly to dare refuse the signature of Germany to obligations impossible of fulfilment.

The number of the Nationalists increased. They were forty-two in the National Assembly. Less than a year after the Armistice the "conservative peril" was already regarded by everybody as a serious one. To the Nationalists was ascribed the design of raising Field Marshal Hindenburg to the Presidency of the Republic and thus directly preparing a monarchic restoration. The episode of Kapp's *coup d'état* (March, 1920) revived the grievances of the country against militarism and aroused democracy. The rapid check given to this movement

showed that the nation would not have a military dictatorship and that a handful of adventurers might perhaps take the capital by storm but would be unable to hold it. The Right, however, were careful not to compromise themselves with the authors of the *coup d'état* and the Left were unable to establish undeniable proof of their complicity. It was evident that the Right viewed sympathetically the action of the rioters, but that they did not believe in the success of their attempt and kept a most prudently correct attitude towards them. Hence their credit was not much lessened at the end of the crisis, the more so as Kapp's attempt immediately followed the Spartacist movement in the Ruhr which had revived the fear of Bolshevism in many Germans. The average man indeed wished neither a military dictatorship nor the dictatorship of the proletariat. He regarded with equal distrust the doings of the soldiers in the camp of Münster, in Pomerania, in Silesia, and the threat of strikes and the development of anarchist ruffianism or again, the paradoxical and suspicious cabals between Nationalists and Bolsheviks. But he recognized that a whole party could not be made responsible for the acts or the speeches of a few impudent or quarrelsome extremists. Therefore the elections of June, 1920, gave to the Nationalists 3,740,000 votes and 66 seats; in February, 1921, in the Prussian elections their progress was even more noticeable. In Berlin itself the citadel of revolutionary Germany, the municipal elections brought to the Nationalists a gain of 110,000 votes, that is 300,000 altogether. The murder of Erzberger and that of Rathenau, like Kapp's *coup d'état*, caused a vigorous movement of protest among all sensible men, and gave rise to energetic measures to check counter-revolutionary action. But these acts of violence have not arrested the progress of reaction and the Nationalists hold to this day the conviction, perhaps justified, that the next election will bring them a considerable increase of forces.

They are powerful because of numbers, and also because of the strength of their convictions with which some are exalted even to fanaticism and sometimes lead to crime. Of course, we would not dream of making a whole party jointly responsible for acts committed by a few violent or mentally deranged individuals. But one has a right to observe that political passion seems at the present time to rise to excesses rather with the extremists of the Right than with those of the Left and that the "white terror" is more murderous in Germany than the "Red peril." This may be seen from the speech of the Independent Gumbel entitled "Four years of murders" in which, laying aside all doubtful cases, he refers only to assassinations properly so called, such as the murders of Liebknecht and Rosa Luxemburg, Kurt Eisner, Gustav Landauer, Hans Paasche, etc., when the victims were shot from behind, their brains knocked out with the butt ends of muskets, whipped to death, drowned, etc. These dismal statistics register 354 murders perpetrated by the Right and 22 by the Left. Gumbel finds, moreover, a singular inequality in the sentences inflicted for these crimes; for the 354 murders of the Right, 90 years of prison and 1 condemnation to perpetual imprisonment in a fortress; for the 22 murders of the Left, 10 death sentences and

248 years of imprisonment. The Communist riot of Munich was punished with 519 years of imprisonment while at the time of Kapp's *coup d'état* not one of the culprits was seized or punished. Needless to say, Gumbel's statements were violently criticized by the Nationalist press. But whatever reservations can be made about the accuracy of his documentation and the legitimacy of his conclusions, his book brings into the limelight a hardly questionable fact; that, at the present time, the Nationalist circles appear to be hotbeds of political fanaticism, all the more so as the repression of criminal attempts from the Right is, as a rule, less efficacious and vigorous than that of the criminal attempts from the Left.

The assassination of Erzberger, slain in August, 1921, by two Nationalist students, members of a secret society for counter-revolutionary action, who disappeared after the deed and whom the police were unable to lay their hands on, for the first time drew the attention of the German public to the danger from the Right. The enquiries made in regard to this murder, by the police as well as by the press, threw an alarming light on the state of ferment which prevailed in certain localities. It was difficult to appreciate the exact value of the reported evidence or of the rumors which were circulated. Did there really exist in Germany a "Central Committee for Assassinations" systematically pursuing certain people registered on a "Red list"? Were Erzberger's assassins members of a secret society whose aim was to "struggle for the national spirit against all anti-national and international tendencies, Jewry, Social Democracy, the extreme Left, the Constitution of Weimar?" Did they belong to a kind of Sainte Vehme group of men determined to fight the revolutionists to the death and to prevent the disarmament of Germany? Were we to believe that in Bavaria, under the complacent eye of the President of the Council von Kahr, of the Minister of Justice Roth and of the Chief Commissioner of Police Pöhner, the authors of the *coup d'état* of Kapp had found a sure refuge and constituted a real stronghold of the counter-revolution where secret meetings were held with a view to preparing a new *coup d'état*? Was it to be admitted that the free corps and unlawful organizations, centered in Upper Silesia under the pretext of fighting against the Polish insurrection, were ready to march against Berlin and overthrow the "Jewish Government" and crush the Revolution? Was there not some exaggeration in these rumors, difficult to verify, gathered by zealous policemen, received by certain leaders perhaps with insufficient discrimination and complacently commented upon by the Socialist press which seized upon them to strengthen their struggle against the reaction? It was not impossible that the doings of some groups of fanatics and conspirators should escape the knowledge and control of the leaders of the Nationalist party. In spite of alarmist rumors, the reaction did not renew the violent attempt to overthrow the established order. Energetic measures were taken to check the counter-revolutionary agitation; reactionary Bavaria rebellious for a time finally repented, withdrew support from President of the Council von Kahr and forced the extremists of the Right into the opposition.

The murder of Rathenau, assassinated in Berlin on June 24, 1922, showed that the danger still existed and had even increased. The murder had been perpetrated like that of Erzberger by young men just out of school or the university, embittered by the social downfall sustained by their families and allied with secret associations of the extreme Right. They hated Rathenau not only as representing the "policy of execution" but as the personification of that "Jewish" revolution, which they held responsible for all the misfortunes of the Fatherland. They hated him as a pernicious man of foreign breed, a kind of German Trotsky, of whom the land must be freed at any cost. As this murder came after a series of manifestations which exhibited the growing boldness of the Right—Hindenburg's travels in East Prussia, the monarchist manifestations of Munich, the bombs at Hamburg, the attempts against the black, red and gold flag and the attacks upon Scheidemann—it was impossible to undervalue the importance of this act which aroused intense feeling in the public as well as in the Reichstag. Everyone felt that an attempt was being made to strike the leaders and thus eventually to kill the Republic and that a vast net of conspiracies threatened the régime itself. The Chancellor solemnly proclaimed in the Reichstag that "the peril loomed from the Right." The government issued on the very day of the murder a bill enacting exceptional measures for the defense of the Republic, and, a few days later (June 29), ordinances for the repression of secret organizations. Syndicates and Socialist parties on the one hand and the Managing Committee on the other published manifestoes in which they advised the government to display the utmost energy in struggling against the propaganda of the Right and declared that "Germany was lost if the Republic did not assert its power."

How long will the effects of this outburst of anger last? This is hard to say. Of course, the Right indignantly condemned Rathenau's murder and denied any connection with the murderers. A campaign was even planned to expel from the Nationalist party the agitators of the extreme Right known as "Germanists" or "racists", a group (*deutschvolkische*) whose foremost leaders are Wulle, Henning and von Graefe, and whose secret inspirer is supposed to be Ludendorff. Henning was expelled from the party at the end of July by a vote of the parliamentary section. But they were careful to warn the public that the motive of this exclusion was not the deputy's adherence to the "racist" movement but his own personal political activity. The head of the party obviously tried to avoid breaking with the extremists, who evidently exerted a rather extensive influence over the organization of the party and whose defection would mean a perceptible loss. There is therefore no evidence that the Nationalist party has altered anything in its program, its propaganda or its methods of fighting. One can hardly help feeling a certain scepticism as to how far the opponents of the Nationalists will avail themselves of the general indignation caused by the murder of Rathenau to deal more rigorously with the subversive plots of the fanatics of the Right and to strengthen the republican order. In any event the resistance displayed by Bavaria not only exhibits the force of the separatist feeling but

enables us to measure also the vigor of the monarchist and counter-revolutionary elements.

After this outline of the general attitude of the German Nationalists, let us now characterize the main tendencies of their home and foreign policies.

First, they emphatically reject the Constitution adopted by the new Germany. They anathematize the republican, democratic, anti-Christian, anti-German, anti-Prussian, unity-craving spirit from which it is derived. The German Republic appears to them unlawful and pernicious, founded upon violence and treason, formed by a Revolution and not by lawful means, a reform not accomplished according to the prescriptions of the Reich's Law of April 16, 1871; to their minds the parliamentary formalities which surround its elaboration do not mitigate this original and incurable defect. Moreover, they consider it artificial and not a natural development. There has been substituted for the work of Bismarck, who had with such incomparable mastery conciliated historic tradition and the political necessities of a modern state, an entirely artificial edifice, a "rational" republic which applies the false principle of equality to communities as well as to individuals, which replaces the Confederated States by districts deprived of all real sovereignty and which substitutes for the Hohenzollerns' Prussia, a predominant European power, a diminished and dismembered Prussia on which a republican form is imposed by the establishment of a democratic voting system and a parliamentary government; in the place of the Federal Council has been installed a Reich Council devoid of influence. A President, a party man, has been substituted for the German Emperor. The Constitution gives no consideration to the original and historic genius of Germany, Christian, monarchic and respectful of lawful authority. It prepares the destruction of Christianity by separating the church and state and by the unchristianizing of school and Catholic life. It endeavors to ruin the monarchic principle forever. It has proved fatal to all true authority. By creating an artificial unity in the Reich, it threatens to ruin the smaller states, beloved by all Germans, and especially to undermine Prussian patriotism which has been the foundation of German greatness. Such are the views of the Nationalists.

While the conservatives reject the order itself which the Revolution imposed on Germany and which is expressed in the Constitution of Weimar they condemn even more violently the way in which the parliamentary government is conducted by the coalition in power. They ceaselessly denounce the defects of a régime which encourages favoritism, corruption and disorder everywhere, which is rapidly demoralizing the German official known of old for his integrity and punctuality, which disorganizes public finance, which is leading to ruin the formerly prosperous state enterprises, such as the railways and the post, and which countenances scandals like those of the municipal administration of Berlin. The Nationalists loudly proclaim that they must make haste to put an end to this "Socialist fraud" and that the government of the Reich must as soon as possible be

taken over from the band of mischief makers who are exploiting it and ruining the country.

The Populists, German Nationalists, proclaim the "crisis of parliamentarism" and endeavor to prove the complete incapacity of the Germans sincerely to practise a parliamentary régime. German opinion, they say, is too divided and the parties too many and too hostile to be able to unite in a majority inspired by a common aim and capable of taking the lead. Instead of forming a solid parliamentary block representing thoughtful and firm national opinion politicians artfully utilize contingent and short-lived coalitions and constitute heterogeneous governments which rest on a wavering majority, the elements of which vary with the problems which arise. Under these conditions, it has been impossible to follow an established and continuous policy. Compromise after compromise has been made until the cabinet in the end has yielded and given place to another combination no less ephemeral. In order to remedy this situation, the party of the Right has endeavored, by various proceedings, to diminish the power of the Reichstag. Some wish a government to be established superior to all parties with a Chancellor at its head, invested with the full confidence of parliament and able to make the greatest use of technical experts without reference to the political opinions of its assistants. Others are thinking of organizing the professional representation of workmen of all categories and of establishing at the side of the political parliament an Economic Council of the Reich endowed with extensive prerogatives. Others again aim especially at reinforcing the authority of the President and making him either a real constitutional monarch or a head of the state with the extensive powers of an American president.

While radically hostile to the parliamentary order, to socialism under its present form and to the government of a coalition which is striving to organize the new Germany, the opposition of the Right is careful not to combat the actual principle of Socialism. Even recently, one of the most prominent thinkers in conservative circles, Oswald Spengler, in a tract which has attracted considerable attention,¹ attempted simply and purely to assimilate Socialism to "Prussianism" and to oppose both to the egotist and capitalist individualism of the Anglo-Saxon type. In his eyes, the "insular" Englishman is a Viking to whom work is merely a means of acquiring wealth, money and happiness. A Prussian on the contrary is an ascetic to whom work is man's natural calling and whose ideal is none other than that of Socialism in its deepest meaning: the will to struggle for happiness, not for the individual, but for the collectivity. Frederick Wilhelm I and not Marx would in this sense have been the first conscious Socialist. The Prussian and the Socialist ideal thus tend, according to Spengler, to group the whole nation into an organization of collective work. It is the very negation of that "liberalism" which triumphed in Germany with the Revolution of 1918 and which Spengler condemns absolutely as a bad counterfeit of Anglo-Saxonism. In Germany the unconscious people have felt the influence of the enemy; they

¹*Preussentum und Sozialismus.*

have disowned their fundamental Prussianism, have denied their life principle and become false to their original type. Recovery can only come by the return of the Germans to their true nature and by the regeneration of thorough Prussianism, of the spirit of discipline, of collectivism, of organization and of devotion to the common weal and to the state. The Prussian spirit and the Socialist spirit have been considered antagonistic, but such is not the case. Marx's doctrine and the egotism of classes have caused the two elements which ought naturally to be allied, namely the working classes and the conservative parties, to misinterpret each other and misunderstand the real nature of Socialism. It is necessary, concludes Spengler, that this misunderstanding should be dispelled; Prussianism and Socialism, at the present time divided, must learn to recognize their fundamental identity.

We see what a bold theory is that of the conservatives of the new style: they strive to set the working masses against the democratic movement and the Revolution of 1918 by persuading them that the Prussian organization and the Socialist organization can and must unite against the anarchical liberalism of the Anglo-Saxon type or against a bastard Socialism pervaded with Democracy. It seems apparent that the call of the conservative was echoed in a part at least of the working classes, among the Christian syndicates. We know that the Federation of Christian syndicates (*Deutscher Gewerkschaftsbund*), which since 1919 comprises the Catholic or unsectarian organizations of workmen, constitutes a powerful association which now numbers more than 2,000,000 members (against only 350,000 in 1921). Its President, the Prussian Minister Stegerwald, at the time of the Congress of Essen in November, 1920, described the tendencies of the group in a speech which caused a sensation. He proposed a struggle against the spirit of the times, against the materialism of both Right and Left, that of "Trotzky, Lenin, Northcliffe and Poincaré, that of the old Testament, that of the merciless struggle for the destruction or the enslaving of the adversary." This struggle involved the constitution of a vast middle party in which would be united all the elements of the Christian and national spirit as well as of democratic and social tendencies, which would not be denominational but would appeal indiscriminately to Protestants and Catholics, which would not be exclusively for workmen, but would appeal to all of good will and rally popular elements whose aspirations, both Christian and favorable to social progress, were in opposition to the materialist spirit of Social Democracy. Stegerwald's initiative aroused great emotion. It alarmed the Center which feared it might attract part of its (the Center's) Catholic followers; it alarmed the Democrats and Socialists who feared that the new party might become a kind of depository for all the tendencies of the Right against Social Democracy. This fear was apparently justified. It seems to be generally expected that in the next elections, Stegerwald and the Christian syndicates, which appear to side with the Center in religious matters, will unite politically with the German Nationalists. The conservatives would thus absorb not only the greater part of the rural population but a large contin-

gent of workmen. It is therefore not surprising that the conservatives should count upon a triumph in the next elections.

This very prospect causes some of the German Nationalists to be more moderate in their opposition to the present régime. Along with the extremist elements who wish a violent upheaval and work for a military *coup d'état*, who want to sweep away the established order by revolution and restore the ancient régime, there are to be found more considerate elements, determined not to swerve from legal measures in the conquest of power. These moderate conservatives assert that uncompromising pessimists, partisans of a desperate policy and fanatics form but a clamorous minority capable of intemperate manifestations or of regrettable escapades, that their influence has been exaggerated and has persisted mainly because of the blunders of France and the Entente. They try to spread abroad the impression that the people of the Right are in general far removed from fanatics eager for riots and prepared for any violent measures, Pan-Germanist or anti-Semitic zealots, and that they are, on the contrary, sensible and practical men, hostile to all revolutionary action, convinced that the country, weary of agitations, will pronounce in their favor in the next elections when they are determined to take in hand the management of public affairs. They make a show of not being reactionaries, of not insisting on reviving a definitively abolished past, and they state that though they remain monarchists they are quite content, in case the people should not wish the return of the old dynasty, to place at the head of the Reich a president like that of the United States, with extensive powers and able to arbitrate efficiently between individual states. They insist on their determination for social reforms giving satisfaction so far as possible to all the legitimate aspirations of the workmen. They aver that the bitter antagonism so complacently taken for granted in France between reactionaries, Democrats or Socialists is artificial, that it does not exist in their own case and that a Germany in which they had power would in no way be the hotbed of reaction, oppression, feudal romanticism and extreme militarism which is commonly imagined in France.

While at home German Nationalists are striving to restore monarchist Germany, abroad they wish to revive German power, and, in order to do so, they are trying to obtain the revision of the Treaty of Versailles by constantly renewed protests and by passive resistance. What they find most offensive in the Left, is that it is too cowardly to dare refuse the signature binding Germany to engagements impossible to perform. If they are to be believed, all Socialists, Democrats and ideologists of all kinds who desire to purge the country of revengeful feelings, who dream of abolishing war and who recommend a pacifist foreign policy, are deluded by a mirage which can lead to nothing but lamentable illusions: "They will not change," Count Westarp states, "the inexorable fact that the exterminating war waged on all sides for seven years against Germany is going on at the present time by means of the Treaty of Versailles and the London ultimatum. Not the execution but the abolition of this treaty and of this ultimatum

will give Germany peace and liberty; not the determination to renounce all means of power nor the public manifestation of this determination will guide Germany to peace and liberty but the will to achieve power by all applicable and proper means."

For the German Nationalists, but one course seems possible. The Germans must resolutely declare how utterly impossible it is for them to pay off their obligations, must demand in consequence the immediate revision of the Treaty of Versailles and then calmly await the measures the Entente will think fit to take. In order to persuade their compatriots to choose this obviously hazardous course, which involves them in grave risks, they represent the situation of the nation in the darkest colors. They protest violently against those who dare speak of the prosperity of German industry, they dispel with merciless rigor the illusions of the optimists who allow themselves to be deluded by deceptive appearances and they point indefatigably to the fact that Germany is at present unable to provide for her own wants by her labor and consequently is living on her own substance and running to absolute ruin. Their great authority on financial matters, the former Minister Helfferich, never misses an opportunity of laying stress, before the Reichstag or in the press, on the enormity of the burdens weighing on Germany, on the complete impossibility of her bearing them and on the uselessness of all efforts that might be attempted to satisfy creditors whose real intention is to keep the country in a state of permanent economic bondage. He heaps up overwhelming arguments to prove that Germany can not escape bankruptcy, and that those who demand greater efforts to retard the fatal catastrophe are deceiving the country.

Under these conditions the Nationalists direct a merciless attack against Chancellor Wirth's government and "policy of execution." They charge him with leading the country to complete ruin by his weakness and blindness. "In November, 1918," explains Count Westarp, in his articles in the *Kreuz Zeitung*, "Democrats, Socialists and others who profited by the Revolution, stabbed in the back in an hour of blindness the unconquered army and destroyed the German Empire through lack of comprehension that the only chance of escape was to hold on to the end." After the breakdown of the military forces, the catastrophe of the Revolution, a sheet-anchor remained for Germany in her strong economic organization. However, the Socialists and the government, yielding to their injunctions are now destroying this last source of power, as, in 1918, they destroyed the army and the Empire through cowardice. The policy they follow tends toward nothing less than "the annihilation of German capital, German property, German means of production, the energy and knowledge of German capitalists and contractors, in order to give up the whole German people, employers and employees, to foreign capitalism which will freely exploit and enslave them." They are attaining this disastrous result by financial measures, which ruin German industry for the sole profit of Germany's creditors. The Treaty mortgaged in favor of the Entente only the possessions of the Reich and of the states *but not*

those of private individuals. It simply authorized the Reparation Commission to see that the German taxpayer was in no respect less taxed than the taxpayer of the nations of the Entente. But what has the German Government done? Following its policy of "execution of the Treaty" and under the false pretext of proving the "good will" of Germany to pay her debts, the government under the pressure of the Socialists, has worked out a financial program which will completely crush the taxpayers already bowed under the burden of taxation. It even threatens to encumber with a compulsory mortgage German landed and industrial property and to make this mortgage over to foreign creditors. It thus voluntarily presents to the creditors on a silver platter the fortunes of German private individuals, the private wealth which did not fall under the Treaty of Versailles. This lamentable expedient can not possibly prevent inevitable bankruptcy. The confiscation of the whole of the economic wealth of Germany would not prevent it. Helfferich rates the total value of all the shares of all German companies at five thousand million gold marks—hardly more than the yearly deficit of the German budget! The financial policy imposed by Socialists therefore only accomplishes the giving over to foreigners, without any profit, of the very substance of German wealth. It makes forever impossible the recovery of the country, to say nothing of preventing the execution of the agreement of May 10. Tenacious and resolute resistance to the impossible Treaty alone can, after a violent but short crisis, lead to a positive result. Otherwise there is no hope for Germany.

It is easy to see to what the policy of the German Nationalists tends. It is supported by those in Germany who have felt most painfully the effects of the military defeat and of the Revolution, the leaders of the former régime, officers, university circles, a great part of the middle classes, those who will not accept the consequences of the defeat, who aspire to restore the army and the monarchy and who want to reestablish in the west as in the east the frontiers of the old Empire. It tends to reinforce the instinctive pessimism of all discontented people and to impart to them the conviction that they have nothing left to lose and that consequently resistance is more dignified and can not be more dangerous than resignation. It directs itself deliberately against France, whom it charges with ruining Europe by her unyielding imperialism and her greedy demands of impossible reparations from Germany. It fiercely combats the "French party" in Germany, that is, all those who try to win France by trying to satisfy her demands as far as possible and strive to organize economic cooperation or a political reconciliation with France. It proves hostile to everything which looks like a concession to Wirth's policy of execution as well as to the organization of reparations in kind by Rathenau, and to the offer of a credit by the manufacturers. It endeavors to hasten the crisis and fanatically urges the Germans to risk a venture which may lead no one knows where.

The Nationalists, of course, deny that they recommend revenge; and we can believe them when they say that for the present they are not thinking of urging

Germany into military action, which in the actual state of disarmament could lead only to disaster. They set their hopes on a change of the policy of the Entente. "England", the deputy, historian Hoetzsch explains in the *Kreuz Zeitung* (November 23, 1921), "will of course not help Germany to pay the reparations; but in the interest of her own foreign commerce it is necessary that Germany should recover from the chaotic state in which she is plunged, should put her finances in order, balance her budget and stop inordinate inflation. England wishes the crisis to arrive but wishes also that Germany may pass through it successfully. If a *modus vivendi* were established at Washington between England, America and Japan, one would be justified in hoping that America too—which has a hold on the Entente by the loans she has granted them—would at last understand the necessity of an economic restoration on the continent and consent to cooperate in it actively. Then at last France, finding herself alone against the whole world, would be forced to renounce her disastrous policy of reparations or might be brought to give it up voluntarily, if she received the guarantees she claims against German aggression." Thus from American financial interference, seconded by England, the Nationalist diplomatists expect recovery.

Their final intentions, moreover, can be questioned by no one, either outside of or even in Germany. When one observes their desperate opposition to disarmament and the obstinacy with which they are secretly preparing the reorganization of German military forces, when one notes how perseveringly they uphold in Germany the determination to reconquer the lost provinces—especially Upper Silesia but also Alsace-Lorraine—when one sees how carefully they endeavor to keep up the warlike spirit among their compatriots and when one follows the formidable campaign of hatred which they indefatigably wage against France in particular, then it appears perfectly plain that in their heart of hearts what the extremists of the Right want is revenge by war and by force and that they are preparing for it *against us*. Their inmost conviction is that some day Germany, reconciled with the Anglo-Saxon nations and closely connected with Russia, will be able to turn against France and her Polish and Rumanian satellites, and break the unnatural hegemony France is now assuming over continental Europe. Therefore, let us foster no illusions; the old German imperialism is not dead; it is alive, and virulent among an active, passionate, fanatic minority which aspires with all its force to reestablish its influence over the masses.

The group which defends the interests of German industry and constitutes in the Reichstag the German Populist party, represents a force at least equal and perhaps superior to that of the Nationalists. It won a marked success in the last elections by attracting some of the Nationalists, who condemned the violence of their cobelievers or revolted against their aggressive anti-Semitism, and more noticeably some of the Democrats who feared for their purses and objected to the advances made to the Socialists by certain of their leaders. While the Popu-

lists had obtained in the elections of January, 1919, only one million votes and 21 seats, in the elections of June, 1920, they had 1,350,000 votes and 62 seats.

The prestige of the Populist party rests upon the considerable work performed by the directors of German economic policy during the War and since the end of hostilities. Thanks to skill and energy, German industry has in these last few years achieved a new stage on the way to rational organization. Formidable concentrations have been made; gigantic trusts, organized on horizontal and vertical lines of development, have been realized, so as to save profitless expense, to coordinate production and bring down cost prices and provide German enterprise with the support from foreign countries which it needs to develop its export trade. The oligarchy of the great captains of industry now forms a group with its own power, its private resources, independent from those of the state. This group has safely invested considerable sums outside of Germany in neutral countries. These audacious and resolute business men have at their disposal an instrument of production intact and highly perfected technically. They have already largely reestablished and perhaps even increased the productive possibilities of Germany. Under their impulse German factories are now working almost at full speed, providing work in abundance for the population and realizing considerable profits. They have succeeded in greatly developing foreign trade and have begun again to flood the world market with their products. No one ignores the fact that this prosperity is artificial and that a crisis is inevitable. But public opinion does not hold the economic leaders responsible for this situation and their credit does not suffer on its account.

What do they want? They too are strong men, supermen, who work for the economic recovery of Germany as resolutely as the Nationalists work to re-establish her military and political power.¹ Their leaders, and foremost among them the famous Stinnes, who has become for French opinion representative of the latest type of the German business man, are powerful individualities who inspire respect or, at any rate, fear. They have the robustness of temperament, the dominant will, the boundless ambition, the undeniable technical competency and the boldness of action which awe the crowd. They are gamblers after the fashion of Ludendorff and it is apparent that many people are now disposed to follow them as they followed the army. But these new masters of the present hour are clearly different from the former ones. Their ambitions move in various spheres, some in military and political circles, others in economic circles. Some want revenge, others would be content with wealth; some remain true to the old faith in war, others understand the huge blunder made by German leaders when they let loose the universal cataclysm and do not by any means wish for the return of a similar catastrophe. The economic leaders are distinguished from the Nationalists by a more compromising spirit; they are opportunists, ready to seize favorable opportunities; they realize to a higher degree the possibilities of the epoch and the compromises indispensable if one is to attain practical results.

¹ On the progress of German industry see *post*, p. 100.

Under these conditions their action often runs parallel with that of the Nationalists, but never merges in it. For instance, they are as sure as the Nationalists that Germany can not possibly pay the reparations according to the agreement made in London, and as sure, too, that the policy of Wirth's cabinet is driving them straight to ruin. But being industrial leaders, they are less prepared to risk all and to expose, by an absolutely unyielding attitude and the systematic practise of a policy of ruin, their enterprises to dangers, the gravity of which they fully appreciate. On the other hand, they judge with as much severity as the Nationalists, the "Socialist fraud," the administrative incapacity of governments born of the Revolution, and they are just as preoccupied with the dangers to which the German economic body is exposed by the financial schemes and social experiments recommended by the Left. However, in spite of the violent objections of the Nationalists, the Populists have made clear several times that, under certain conditions, they were ready to cooperate with the governmental coalition and take a place in the bloc of the parties even by the side of the Socialists. They considered in October, 1921, the idea of putting at the disposal of the government, under certain conditions, the credit of German industry abroad in order to help the Reich pay its financial obligations, which to a certain extent committed them to the policy of execution of the Chancellor. At the present time, the question of a combination of the Populist party, with the Democrats and the Center to form a coalition of these Bourgeois middle parties, to balance the coalition of the Socialist parties, is increasingly discussed as we shall see further. On the whole, in spite of certain unimportant disagreements between their Right wing, connected with the Nationalists, and their Left wing, striving to connect with the Democrats, the action of the Populists is becoming clearly delineated. The great captains of industry are trying to organize and concentrate Germany under their direction and to lay hold of the political power and of certain material power such as railways. They are endeavoring to create at home and abroad the impression that they alone are able to pay Germany's debts, to achieve her recovery and to negotiate with foreign countries for the reorganization of the economic world.

Obviously, they have won important successes. One can see by reading the recent book by Count Keyserling, "*Economy and Wisdom*," in what terms one of the best known thinkers of new Germany expresses appreciation of the power they have acquired and the mission which is laid upon them.

"The foremost historic rôle," he proclaims, "will henceforth belong to the sphere of economics which will soon command all the effective power in spite of the interference of the state, because it belongs to a supernational and therefore a much more powerful group." In Germany especially the state, deified by Hegel and his school, all powerful at the time of Bismarck, is doomed to inevitable decay. "It is going to become completely helpless for a time; it will be more and more easily mismanaged by its own citizens supported by public opinion. The interests of the collectivity and those of the state will henceforth, in Germany at least, be separate and divergent for scores of years."

In the world of the future, the real power will belong, not to the masses, as Marx believed, but to the supermen capable of managing great enterprises. "The masses rule only for short convulsive periods; then they yield their power to Caesars, and the *Caesars of the economic world* are more powerful (theoretically) than the *Caesars of the political world*, because they are more reasonable and also because their existence is more obviously justified. Every enterprise *must* be centralized; *one man* only must command in the last analysis. If intelligent Caesars attain power, they will, as *princes of industry*, be much more powerful than any political Caesars. They are freer and more independent and at the present time their qualities are those which count. The states are all bankrupt or on the verge of bankruptcy. The masses have been morally wearied by successive struggles. *Powerful individualities* will henceforward be foremost in determining progress."

The novelty of an attempt like that of Stinnes is the attempt to combine at the same time industrial centralization and socialization, to achieve concentration, not by force and deprivation, but by persuasion, by the voluntary combination of enterprises which profit by joining in a steadily enlarging group: "Stinnes' consortium is gradually spreading over Germany. If eventually, through a system of labor-shares and cooperation, a union of syndicates and other workmen's groups might be achieved, all of the workmen and finally the whole nation could participate in the enterprise; then economic organism alone would comprise the whole nation and we should see coming into existence something entirely new: a national collectivity founded not on the basis of the state's power but on that of *cooperation in the same work*."

Does this evolution, which sanctions the primacy of the economic over the political, work for good or for evil? This depends essentially, Keyserling answers, on the question, whether the economic leaders will discharge their offices better or worse than the political leaders did. If the heads of the enterprises know how to secure for the masses what they can reasonably hope for as their right, then they will create a social organism which may prosper. If, on the contrary, they use their power solely with a view to material profit and in a mercantile spirit, it is undoubtedly true that they will soon be in a situation to enslave the masses and to oppress them as the India Company did the Hindus, for, in an impoverished and starved country, might rules. But if evolution should take this direction a new revolution would break out worse than the first.

It has seemed to us useful to mention Count Keyserling's ideas on the part played by great enterprise, not so much on account of their originality, but because they seem to us to reflect typical feelings now very common in Germany, faith in powerful personalities, confidence in their organizing power and hope that Germany will be able to find in the economic field a compensation for the disaster which has put a stop to the political development of the Reich. We easily understand that the Democrats and Socialists can not accept without anxiety such eulogy of the capitalist superman and must regard with a certain hostility the

threatening rise of the new aristocracy of enterprise. No one doubts that the German working classes, in spite of their instinct for discipline and respect for success, would energetically resist all attempts at enslavement and would vigorously maintain their right to participate, not only in the profits, but in the management of business. It is no less certain, however, that the oligarchy of higher industry is one of the vital elements of new Germany. It is now manifesting with growing insistence its determination to participate in the government of the country. We will see how the organization of this participation, through the cooperation of the Populist party with the coalition of the Bourgeois middle parties, threatens to cause in Germany an internal crisis the outcome of which it is difficult to predict.

THE INTERNAL CRISIS

The political balance has been secured up to the present by a strong coalition between the Socialists and Bourgeoisie (Democrats and Center). The Socialists postponed the realization of thorough-going collectivism. The Bourgeoisie rallied to a democratic and reformist policy. Socialists and Bourgeoisie agreed to stand on the ground of republican defense against the extremists of the Right and Left, against partisans of Communism and the alliance with Moscow on the one hand, against the supporters of monarchy and the defenders of high capitalism on the other hand. It was thought that national interest demanded the union of all resolute partisans of the new German Republic into a solid bloc, resolute enough to defend the country from either a Bolshevik revolution or a militarist and monarchist *coup d'état*. It was thought that this bloc, which would command a considerable majority either in the Parliament or in the country, would also command the trust of the Entente, who saw in the strengthening of a democratic order in Germany the best guarantee of peace, and regarded with equal distrust Bolshevism and imperialist Nationalism.

This coalition which has up to the present time maintained a relative stability is manifestly weakening. On the other hand, we see the fusion of the two Socialist groups. The progress of reactionary Nationalism and the steadily increasing overwhelming supremacy acquired in the national organism by the representatives of great enterprise, fill the working classes everywhere with anxiety. They deem that the régime established by the Revolution of 1918 is jeopardized; they are not overconfident in the ability of their Bourgeois allies to defend it; they find them too pliant and too weak both towards reaction and capitalism. Rathenau's murder suddenly showed that the Republic was threatened in its very existence. Hence the Socialists think the time has come to put an end to the discussions which are fatal to the interests of their class. The Communist peril seems remote. The Independents, made wise by experience, agree to postpone their extreme claims and to join in a program of practical action and positive reforms, the realization of which they desire in common with the Majority Socialists; we know, moreover, that they no longer have the material support

necessary for keeping aloof from official Socialism and are unable to provide for the expense of an election campaign. Under such conditions, the German proletariat is forming again a united front. This is a fact of historic import. The Socialist press proclaims it "the greatest event for the working classes since the Revolution of 1918."

The consequences of this fusion are considerable. First, the internal balance of the governmental coalition is destroyed. It included 113 Social Democrats and 113 Bourgeoisie, that is, 44 Democrats and 69 deputies of the Center. If 59 Independents join the 113 Socialists, it is clear that the group of 172 united Socialists will exert such sway within the coalition that the Bourgeoisie will only have to assent to their decisions. Even the secession of the Democrats could not displace the parliamentary majority! Because of their superiority in numbers, the Socialists would then be in a position to exert a preponderant influence in the government, which would be utterly unable to resist the pressure they would bring to bear upon it; all equality between the Bourgeoisie and the Socialists would be destroyed. The union of Independents and Social Democrats would probably result in moderating the Independents' claims, but it would on the other hand reinforce within united Social Democracy the radical element which would prove more advanced, more exacting, more eager in defending its class interests than the Majority Socialist party. This union would result in an evolution of the Socialist party towards the Left and would thus make even more awkward their cooperation with Bourgeois Democrats, which has already become somewhat strained. Would not a *Socialist* German Republic, moreover, alarm the governments of the Entente who see in a *democratized* Germany the best pledge of peace? A Socialist Germany, prepared to rely upon the international proletariat to oppose the nationalism of the Bourgeois governments would cause them some uneasiness. "Therefore one can not disregard the fact," says a democratic paper, "that the great foreign financiers could hardly consort with a group guided by Socialists. These people, with whom Rathenau would have obtained results and who showed such marked repulsion for the delegates of the Soviets would not be willing to negotiate with Bauer and Hilferding even though they were escorted by a few Bourgeois dummies."

The difficulties of the situation are aggravated by the fact that the fusion of the Socialist parties was immediately answered by the Bourgeoisie with a scheme for a coalition (*Arbeitsgemeinschaft*) between the Bourgeois parties in favor of the Republic, that is, between the Democrats, the Center and the Populists.

This move can of course be justified first as political tactics. In order that the cooperation of Socialists and the Bourgeoisie may be able to continue without one of the two elements exerting a disproportionate predominance, an extension to the Right must correspond to an extension to the Left. In an enlarged coalition which would reach from Breitscheid to Stresemann, the Bourgeoisie would not be an uninfluential minority. If the Socialists are going to really *cooperate* with the Bourgeoisie and not *dominate them* because of their greater numbers,

they must not—so conclude the partisans of the coalition of the Bourgeois parties—refuse to make the loyal experiment of a combination which would group all the Middle parties against the extremists of the Left and Right. These partisans add that the Populist party is now fitted to enter into an alliance with the Middle parties. To be sure this party formerly declared its sympathies for monarchy and participated in the anti-republican agitation which ended in the murders of Erzberger and Rathenau. But the murder of Rathenau opened its eyes. The governing committee of the party has acknowledged that the recovery of Germany could be achieved on the sole basis of the present republican order. The leader of the Stresemann group has declared that the restoration of the monarchy was impossible for the immediate future. The most influential industrial magnates have expressed their approval of cooperation with the Republic. Stinnes himself is supposed to have said, "the bullets of Rathenau's murderers have killed the monarchy!" So it appears good policy to give a certain credit to Populists and to allow them to participate in the government instead of throwing them into the opposition by exhibiting excessive distrust of them.

The foreign countries wish a pacifist Germany governed by tried republicans free from all militarist desires; but they also want a *capitalist* Germany on which they can rely for the settlement of the reparations. Financial circles in England and especially in America allow much more credit to Stresemann or Stinnes than to the Independents, some of whom used but lately to swear by Moscow. "If then," the democrat Schücking concludes, in a widely-read article in the *Frankfurter Zeitung*, "it were possible under the republican flag, which is justly considered abroad as the flag of German pacifists, to unite the capitalists with the Center and the Democrats so as to constitute a bloc of the Middle parties, it would convey abroad the impression that, after the late commotions, the political situation of Germany is beginning at last to stabilize."

The Bourgeois coalition inspires great distrust not only among Socialists but also among many non-Socialist Democrats.

The Socialists can not be blamed for uniting for the defense of the Republic without waiting for the imminent offensive of the reaction since they see, with much anxiety, that the Center and the Democrats are torn with internal dissensions, and comprise so many elements favorable to reaction, that they are themselves unable to protect a Republic in which they only half believe. "The Center," writes Gerlach in the *Welt am Montag*, "has been for a year moving steadily towards the Right. Erzberger's murder destroyed all the germs for good which the party might have contained. Erzberger was in the act of transforming the Catholic party into a Catholic Democratic party which would vigorously support and sustain the aspirations of the Catholic masses. He was the hyphen between Wirth and the group of the Center, between Wirth and the Catholic people. Since his death Wirth has been isolated. The 'notables' of the party have again become predominant. The policy of the party is now determined by agricultural and industrial interests, interests of the Right. In this the *indus-*

trial magnates are helped by Wirth's ambitious rival, Stegerwald, who, as the head of the Christian syndicates, looks upon the Socialist syndicates not as allies but as competitors." The situation is the same with the Democrats whose Right wing, composed of capitalists who tremble for their purse, has long been ready to embrace the Populists and exerts a decisive influence on the direction of the party.

Under these conditions, you are the dupe of a dangerous illusion, the adversaries of the coalition of the Bourgeois parties assert, if you imagine that the Populists are tending towards the Left. They remain reactionaries pure and simple who exercise an irresistible attraction on the similar elements of the Center and of the Democrats. The famous bloc of the Bourgeois parties signifies in no way the adhesion of the Populists to the defense of the Republic, but the evolution of the Right wing of the Center and of the Democrats towards reactionary capitalism. The party of great industry is too mighty and exercises too strong an attraction not to become the soul of the new group. The prevailing influence will belong to Stresemann and Stinnes who will well know how to extend the Bourgeois bloc still more to the Right, towards the Nationalists. Under such conditions there will no longer be a democratic and republican entente capable of loyally cooperating with a Socialists' entente. There will remain a Bourgeois and reactionary bloc which will struggle to the death with the Socialist bloc. It will mean organized civil war in Germany.

The meaning of the internal crisis which is now fermenting in Germany is clear.

A coalition of the Middle parties has held the power up to the present in the new Germany born of the Revolution. It was thought that the situation demanded a cooperation between opportunist Socialism and Bourgeois Democratic idealism. Chancellor Wirth personified this tendency. For him, *the enemy is the Right*. The great danger of the hour is the offensive of the reaction, which is rising with increasing audacity. The irreparable error would be to break the pact of alliance between Socialists and Democrats. The fusion of Social Democracy and the Independents changes nothing in this situation; it can make a little more difficult the collaboration on an equal footing between Socialists and the Bourgeoisie, but it does not modify the fundamental political duty of Bourgeois Democrats, which is to stretch out the hand loyally to Socialists, to secure in accord with them the evolution of Germany towards a republican régime of freedom and order. The Populist party by uniting with the Center incurs the risk of drawing Bourgeois Democracy towards the Right and causing a break with the Socialists; therefore it is an extremely dangerous attempt which may lead to the worst disasters.

The position of Chancellor Wirth is at present certainly gravely compromised. Even in his own party his authority is shaken by his personal disagreements with the Minister of the Treasury, Hermes, and with the leader of the Christian syndicates, Stegerwald. The heads of the larger industries, who exercise a formidable economic power and without whom the solution of the problem of reparations

appears every day more impossible, side against him with growing bitterness. Their prestige has grown lately, abroad as well as at home. Many Germans consider that the economic leaders are alone capable of getting the country out of the distressing situation in which it is placed by the collapse of the mark and by the threatening crisis. Numbers of Englishmen and Frenchmen also think, rightly or wrongly, that it might be easier to recast Europe and settle the question of reparations by negotiating with business men rather than with the German Government. Under these conditions, how much authority would remain to the Chancellor and his cabinet? Will he be able to keep under his direction the coalition of the Middle parties? Will he have to accept an extension to the Left or to the Right; and if, as is likely, the growing influence of the Populists and their leaders must henceforth be taken into account, what will be the consequences of this?

In our opinion, if such an event were to happen we ought first to avoid yielding to excessive pessimism. I feel I have not undervalued the peril from the Right, or concealed the eagerness for revenge which is to be found among the Nationalists and reactionaries.¹ But it would be exaggerated to consider, as we commonly do, the opposition of the Right as a compact and unbreakable block from which can only be expected deadly hatred and systematized hostility. As a matter of fact, the Right includes uncompromising elements and moderate elements, fanatics to whom only force can be opposed and opportunists, cautious well-informed judicious minds with whom discussion may be enlightening and with whom one may agree on many questions. I have characterized above² the tendencies of these moderates. Among the Populists, evidently, there are to be found an even greater number of men who are loath to use violence, who resolutely oppose the policy "of ruin" and would willingly conclude agreements with France, alleviating a strained situation, manifestly disastrous for the whole European continent. The men of the Left parties in Germany realize this. They are well aware of the precious qualities of will, knowledge, intelligence and culture which are to be found among their political adversaries. Hence also comes the eager desire manifested by many of them to associate the moderate Populists with the responsibilities of power, to lay a broader basis for the governmental majority, to create a larger coalition from Stresemann to Breitscheid.

Let us not jump to conclusions and say that it would be opportune to sit at once round the diplomatic table with the representatives of German high industry and finance and to settle with them the problem of reparations over the heads of Democrats and Socialists. Nothing could be more dangerous than such a change of attitude. France has always affirmed that she wished for the triumph of a republican and democratic régime in Germany. We can not, without showing gross inconsistency, turn aside from the genuine republicans to connect ourselves with avowed counter-revolutionists and republicans of the old school, whose convictions are extremely dubious. One can easily imagine the bitter re-

¹ *Ante*, pp. 59, 60.

² *Ante*, p. 57.

sentiment of the Left if we swept aside men who courageously struggled, sometimes at the peril of their lives, for the organization and defense of the German Republic and if we turned to their political adversaries to settle with them the question of reparations and the fate of the new Germany. The Germans think that average French opinion now wants a Germany both *republican* and *capitalist* too. It would be deplorable to convey the impression that capitalist Germany alone interests us and that we think little of republican Germany! It would be both a bad action and bad judgment to inflict on the German Republic such a disappointment. Stresemann and Stinnes are perhaps not far wrong when they say that we shall not get at the solution of the problem of reparations if we discuss it only with Scheidemann and Breitscheid. But it may not be too bold either to think that if Scheidemann and Breitscheid had not first shown some good will in the discussion, even though we could not settle the question with the Socialists, the party of the Right—even its moderate and sensible members—might now exhibit less earnestness in examining the problem with us and proposing their solution.

Even if we take the most favorable view and consider the opinions of the moderates, easily observable among the Right, a better reflection of the feelings of the masses than the more accentuated opinions of the extremists who are now making incendiary declarations in the press, we should prove both ungrateful and imprudent if we presumed to treat the coalition of the Left as unimportant and if we tried to disregard the republican government and come to terms with the representatives of German wealth. We should in this way immediately lose the confidence of those of the Left whose determination for conciliation is undeniable and among whom we have sincere friends, and we should by no means be certain of concluding with the representatives of high industry and capitalism an acceptable arrangement. We should discourage, perhaps without any gain to ourselves, elements which are favorable to us and which the press of the Right disparages and cries down every day under the name of the "French party."

The complexity of the internal situation of Germany is apparent. The German Democrats want to make the representatives of German capitalism take part in the responsibilities of power. This is a difficult move and perhaps a dangerous one, because it threatens to break the alliance which had taken place between moderate Socialism and Bourgeois Democracy. It might result in a violent crisis, or in a compromise. The proper course is to await events quietly. A combination making room for Populists in the government might not necessarily imply a danger for us nor mean that the German Republic had gone over to the reaction. It would be an error to excommunicate altogether and indiscriminately the elements of the Right. There are among them conservative but not reactionary elements who have explicitly or tacitly given up the thought of the restoration of the imperialist and militarist Germany of bygone days and who sincerely support the idea of a new order. We have no right to declare *a priori*

that Democrats are incapable of attracting these elements or that the Democrats will inevitably become reactionary by association with the Populists. Although it may be useful to listen attentively to what the German economic leaders may have to propose, we must not forget that it is with the Left that it is important to establish and maintain connection, for the preservation of the German Republic is on the whole our best pledge against the rebirth of a German imperialism as dangerous to the future as it has been baneful in the past.

CHAPTER III

THE STRUGGLE FOR THE EXECUTION OF THE TREATY OF VERSAILLES

The Germans immediately protested against the peace of violence imposed upon them at Versailles. Hence it was certain from the first that they would oppose the execution of the Treaty with determined ill will and obstinate resistance. In fact a new phase of the War was opening.

The question was, whether and how far the Treaty, the signature of which had been forced upon the Germans, should become a reality or remain a dead letter. We can not attempt to relate here all the successive episodes of the struggle begun by the Germans against the Treaty. We only wish to sketch broadly the main results accomplished up to the present, which can be summed up as follows:

1. The moral basis of the Treaty of Versailles was the verdict which declared the Germans guilty of having let loose universal war. Now from the first the Germans unanimously protested against this judgment. If their impassioned protests do not seem to have had all the effect expected, at least they have succeeded in obscuring the question by turning it into an historic problem of extreme complexity, debated by a few competent specialists, and in which the general public, discouraged by the increasing mass of documents and disgusted by endless controversies, has gradually lost interest.

2. The best guarantee for the execution of the Treaty was to preserve the entente between France, England and the United States. It soon developed however, that this entente was weakening. American opinion suddenly turned against President Wilson, opposing the ratification of the Treaty and giving up interest in the European chaos. Moreover, French policy and English policy were becoming more and more divergent; friction, misunderstandings and conflicts multiplied and grew worse. The German press thinks, therefore, that it can be truly stated that the Franco-English alliance is ending and the newspapers boast that Germany will win help and protection from England against the "inordinate demands" of the French.

3. Germany, after the fall and dismemberment of Austria-Hungary, remained completely isolated and therefore powerless. But, peace once concluded, the Germans realized that their best chance of resuming an active part in the politics of the world was to renew the tradition of Bismarck and seek reconciliation with Russia. Their diplomacy was based upon this conception and the Treaty of Rapallo, concluded a few months ago with the Republic of the Soviets, appears to German opinion as the prologue to a Russo-German alliance and the opening of a new era of European history.

4. Germany had undertaken to repair the damages caused by the War. She put forth the plea of her financial ruin, demonstrated in obvious fashion by the collapse of the mark, in order not to fulfil her promises. She found in England, less directly interested than we in the payment of the reparations, an advocate who called attention to extenuating circumstances in her favor and protected her from the sanctions to which she was liable on account of her insolvency. Germany obtained a moratorium before paying one cent of the 170,000 millions which the reparations and pensions have cost us and no one can say whether we shall ever be reimbursed.

In the following pages we shall characterize more precisely the various aspects of this evolution which we have thus broadly outlined.

THE CONTROVERSY OVER THE QUESTION OF THE RESPONSIBILITY FOR THE WAR

Article 231 of the Treaty of Versailles states:

The Allied and Associated Governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies.

It seems to us today, as on the first day, that the proof of Germany's responsibility is a matter of mere *common sense*, which records what was the nearly unanimous opinion in all the countries of the Entente and in many neutral countries at the time the universal War broke out. It is a *human* judgment based on necessarily limited and approximative knowledge of facts, with the same degree of certainty—or if you like lack of certainty—involved in all the decrees of human justice, all judgments on morality, all appreciations of right and wrong and all historical truths. Theoretically one may always wonder whether man has a right to judge. Practically, life is impossible if one does not run the risk every minute of forming judgments of this nature, so, when we declare the Germans to be responsible for the War, we mean merely this: that, according to our conviction, a man of sufficient education and correct judgment whose mind is not obscured by passion or interest must normally conclude, after perusing the essential documents on the origin of the War, that the principal fault rests on the Germans. The burden of responsibility of the German leaders in the sending of the ultimatum to Serbia, in checking all efforts at conciliation, in initiating the War, in violating Belgium—not to go beyond the main facts—appears to us evident. The fact of German *aggression* is impressed indelibly upon the French consciousness. This conviction strengthened us throughout the War; it inspired us, at the time of the peace, with the conviction of our absolute right to obtain reparations. In our eyes it justifies the rigor of the conditions imposed upon Germany. We therefore thought it natural and fair that the statement of German responsibility should be explicitly inscribed in the Treaty which put an end to the armed struggle.

This view is not of course absolutely unanimous even with us. We know that a small group of opponents of various tendencies, some moved exclusively by political passion and some listening to excessively delicate conscientious scruples, protest against this judgment both in France and England and endeavor to show the share of responsibility that rests upon France and the Entente. That is nothing which ought to surprise or vex us. It frequently happens that the decrees of justice, even those that seem to us most equitable, find sceptics and dissenters. How much more so must it be in an inquiry as formidable as that with regard to the responsibility for the War. Let me add that in my opinion it is absolutely necessary that the Allies and particularly the French should practise a strict self-examination. It is evident *a priori* that the question of the origin of the War, as soon as one considers it broadly, is extremely complex. Consider any crime, any conflict: never is the culprit *absolutely* responsible nor does he *alone* bear responsibility; it is obvious that it can not be otherwise with a universal crisis. It is a duty for each of those who were involved in that formidable event to examine his own conduct carefully and to confess his mistakes and blunders loyally. The idealists, such as the adherents of the Clarté group or of the Society for Critical and Documentary Studies on the War, who are, to use the phrase of a well-known pacifist, "inclined to scan with a magnifying glass the faults of their own country and to judge indulgently those of the adversary," perform a salutary office; they become, contrary to the generally accepted theory, the "devil's advocates"; they make us realize that in a huge catastrophe no one is *entirely* innocent nor *exclusively* guilty; thus they make way for a deeper, more subtle comprehension of the facts than that which is set forth in the summary verdict issued at Versailles. But they have not shaken—not for the French conscience at least—faith in the truth of this verdict. We remain convinced that, after all, our good sense allows us to discern very clearly *degrees* in responsibility and that we are fully justified in maintaining, in this sense, that the Germans are, if not absolutely, at least comparatively responsible for the War.

The point of view of the Germans is quite the contrary. Directly after the breakdown of the Empire, many of them were not far from adopting a point of view similar to that of the Entente. It was at the time when the unpopularity of the prewar régime was at its height and no one thought of defending the behavior of the imperial government nor of denying the blunders of the Pan-Germanists.

A few idealists, such as Foerster, Nicolai, Mühlton, Kurt Eisner, Gerlach, Bernstein and with them an important fraction of the Independent party, do not shrink from a full acknowledgment of the crime and frankly own the formidable responsibility incurred by Germany. They do not admit to be sure that their country *alone* is guilty; but they do not deny the prevailing share which the leaders of the Central Empires had in the outbreak of the catastrophe. Under these conditions, they own that imperialist Germany did, after all, receive the peace she deserved. They acknowledge—as Bernstein courageously did in the Congress of

the Socialist party in June, 1919—that “nine-tenths of the conditions of peace are a necessity.” They understand that Germany can recover normally and can win back the confidence of the world only when she has mustered the courage to confess unreservedly her culpability, to declare resolutely her determination to make good the evil she has done and to submit to the conditions imposed by the victors, doubtless very hard but perhaps possible to execute. Unfortunately these sincere and discerning minds are without influence upon public opinion. Their avowals are indignantly looked upon as supporting the theory of the Allies. They are called “flagellants” when they are not charged with being traitors pure and simple. They cause a scandal, are disgraced, are forced into exile or are murdered, but they do not convince many people. The *League for the New Fatherland*, lately affiliated to our *League of the Rights of Man*, defends their view. It has been able to organize here and there a few interesting manifestations, but one can not ignore the fact that its influence remains for the present very limited. These courageous men who confess the truth deserve our whole-hearted esteem and sincere admiration, but, for the present, no one can say whether they will ever open the eyes of their compatriots.

The Democrats and especially the Socialists also at certain times went far toward the avowal of German guilt. As late as 1920, in the Congress at Geneva, they acknowledged: (1) that “the immediate cause of the War is to be looked for, if not *exclusively*, at least *mainly* in the lack of conscientiousness and intelligence of the German and Austrian rulers, now overthrown”; (2) that the Germany of Bismarck seriously imperilled universal peace by annexing Alsace-Lorraine through violence in 1871; (3) that imperialist Germany committed in 1914 a new crime against international right and law by violating Belgian neutrality and that she transgressed the laws of humanity by ill-treating the population of the occupied districts; 4. that republican Germany therefore felt bound to atone for the consequences of the aggression committed by imperialist Germany after she had rejected arbitration on the eve of the conflict. And even today they do not dream of denying the “crimes” of the former régime with which they disown all connection.

But once they have admitted so much, they immediately add that, however great the errors of the imperial government may have been, such errors by no means justify a “peace of violence” such as that dictated by the Treaty of Versailles. And as the parties of the Left are, on this question, almost all in accord with those of the Right, they too, instinctively strive to make Germany’s share of responsibility as small as possible in order to undermine the moral basis of the Treaty.

They lay down the principle that the essential cause of the War is to be looked for, not in the militaristic spirit of the German people or of its leaders, but in the capitalist system and in the exaggeration of the policy of grasping interest it pursued everywhere. They say that among the Allies too there exists an imperialist nationalism, no less jingoist and no less aggressive than Pan-Germanism.

Above all they portray the German *people* as innocent, cruelly deceived, they declare, by its leaders. They consider that, on the day that the nation, realizing the crimes of the former régime, dethroned the Emperor and overthrew by the Revolution the political system which had wrought the ruin, it stoutly repudiated the errors of the past and loyally acknowledged its wrongs. They infer therefore that Germany has been sufficiently punished for her faults by the dreadful defeat she has suffered, that she does not deserve to be regarded suspiciously, that her conversion to pacifism is manifest and therefore she deserves to be admitted at once and unreservedly into the League of Nations. They do not deny, of course, that France has a right to some compensation for the devastation she suffered and they profess to be willing to make good, so far as possible, the damages caused by the War. But they see, in the reconstruction of the north of France, only one of the aspects of a more general problem. The World War not only ruined France, but Europe. The whole Continent is in danger of death. And this danger is foreshadowed by a sure omen: the fall of the rate of exchange which affects the whole of Europe and threatens imminent bankruptcy. The question of the reparations owed by Germany is therefore connected with the question of the economic recovery of Europe. If France ruins Germany by forcing upon her obligations she can not meet, no advantage will be gained, but, by driving Germany to despair, France will make the ruin of the Continent still more complete. Only by the loyal cooperation of the victors and the vanquished, by the collective restoration, not only of Belgium and the north of France but also of Germany, Central Europe and Russia, can be averted the stupendous catastrophe which threatens humanity and in which western civilization is in danger of being engulfed.

We see that the foregoing German point of view tends to diverge more and more from the French point of view. The German Democrats are not unwilling to pronounce a severe condemnation on the former régime, but, with the parties of the Right, they disapprove of the Treaty of Versailles and therefore are inclined to minimize the responsibility of Germany—the fundamental basis of the Treaty. They protest against the verdict which brands the Germans as the *sole* guilty people or even the *principal* one. The German crime is merged in the universal guilt. The Pan-Germanist frenzy is to them no more than a particular aspect of the collective nationalist and capitalist frenzy which was at work among all the peoples of Europe on the eve of the War. Hence, according to them, it is profoundly iniquitous to overwhelm Germany alone with the load of the sins of all, to make her the expiatory victim for the common error. It is necessary that Europe should bring herself to confess her faults and clear the Germans from the degrading condemnation passed upon them at Versailles. Thus the most resolute adversaries of the annexationist policy, those who during the War supported the pacifist theory and recommended concluding a "just peace," Max v. Baden, Montgelas, Schücking, Theodore Wolff, Delbrück, etc., now set themselves the task of clearing Germany of the awful accusation which weighs upon her and as-

sociate with the Nationalists to prove the innocence of their country, to emphasize the responsibilities of the governments of the Entente, to testify that the German people never wanted the War and to denounce bitterly the aggressive moves of her neighbors, especially the French. They have done their best to spread throughout the world the legend of French imperialism, to stigmatize the underhanded intrigues of "Poincaré the war-maker" and to prove that our share of responsibility is equal to or even greater than that of Germany. Let us examine more closely how they make this theory appear plausible to their compatriots.

The verdict of Versailles rested on a few facts which had impressed themselves indelibly upon the minds of the common people as well as on the minds of the élite. Every Frenchman and every Englishman *knew* who had sent the ultimatum to Serbia, rejected all attempts at conciliation, declared war, opened hostilities, invaded Belgium and waged war "joyous and free." Upon this quite simple data was based a summary, conclusive judgment, severe perhaps, but which in its very intensity well reflected the impression left upon Europe by the attitude of Germany during the tragic days of 1914. Naturally a judgment of this kind is not and can not be definite or complete. We can not, in practical life, avoid *judging*, saying where good and evil, right or wrong, lie. But we know that all the verdicts of tribunals, of public opinion, of history, can only be *approximate*. This is true in disputes among individuals, truer still in disputes among nations. If we knew in detail all the antecedents of the culprit there is no human crime that we should not in our hearts excuse. Practically, we are bound to judge the actions of men as if they were the deeds of a *free and responsible* will. Theoretically, what do we know of the link which binds the different stages of causation? How many ancient and modern thinkers have adopted the hypothesis of absolute determinism and admitted with Nietzsche the *ultimate irresponsibility*?

On these grounds the Germans opposed the verdict of Versailles. They appealed from the impassioned and hasty judgment of the statesmen who had met to put an end to the War to the impartial and mature judgment of history. For an historian is not content with general impressions; he needs to know the infinite detail of facts. To pronounce a careful judgment he must handle all the documents of the inquiry, and be able to compare them, to criticize them and to weigh the value of the testimony of each. That is a stupendous task which was begun directly after the War, but which is far from having been achieved and will require years if not centuries to be carried to a successful conclusion. A huge mass of documents has already been brought to light, but many archives are still closed and countless testimonies are still to be gathered, sorted and examined. Until this preliminary work is done, one can say, without uttering a paradox, that the syntheses attempted by the historians are not properly scientific but are little more than rather plausible and ingenious historical romances.

The champions of Germany stand resolutely on the ground of historic erudition. They pretend to have substituted scientifically controlled truth for the partisan legend. They have collected and sorted numberless facts, multiplied

bold explanatory theses and specious hypotheses, split hairs over the infinite detail of facts. They have instituted a colossal inquest on the origin of the great cataclysm. In brief, they have prodigiously increased the bulk of the case and caused countless controversies at every step.

Have they by this means reached a more objective and more important appreciation of the facts? We are convinced that it is not so. But they have gained an obvious result. They have reassured the German conscience—if indeed it needed reassurance—as to the responsibility incurred by Germany. They have drowned in a flood of erudition the few elementary certainties which, from the first, had forced themselves upon many minds. They have destroyed in the eyes of nearly all their compatriots the meaning of the “colossal” verdict of Versailles. Their reiterated pleas, often supported by extensive knowledge, have converted minds which were only too willing to be convinced and have obscured the lesson taught by events. At the present time German opinion is more than ever convinced that the judgment which declared the Germans responsible for the War is based on insufficient knowledge or wilful ignorance of the facts, and that German science, clear, unerring and impartial, has dispelled the baneful mirages created by the propaganda of the enemy.

The more moderate and just men, such as Baron v. Schoen, have owned that Germany was *as* guilty as, but not *more* guilty than the others and that on the whole, the War was the result of fatality for which everybody and nobody was responsible. “Germany”, he wrote, “is not guiltless but is not guilty to the extent to which she is accused. She has erred, she has committed blunders, less through ill will than lack of sure guidance in the maze of higher politics. She realized, as did the other powers, the possibility of military complications and armed herself in consequence, but she did not seek the Great War, she did not designedly work to that end, as our adversaries wish to have it believed. The German nation became militaristic only when the door of Janus’s temple was opened by the other powers and she was forced to realize that she had to struggle for her very existence. She was the aggressor in outward appearance but not in her inmost heart. The War did not issue from the brains of the chief of one nation, nor from the rash impulse of one nation. It was the evil result of the mutual enmities of the Powers, the logical conclusion of the misunderstandings arising from the life and the very nature of the different peoples, who needed wise and unquestioned leadership to guide them into paths of peace.”

Others—and they are the greater number—go even further in the negation of German responsibility. They emphasize more and more the culpability of the Allies, particularly of the French. They are accumulating a steadily-increasing mass of small facts, designed to prove the errors and faults and malevolent tendencies, the suspicious moves of their adversaries and the pacifist disposition of Germany. They state in a more and more peremptory tone that the moral basis on which the whole Treaty rests is definitely destroyed, that in consequence the revision of the sentence imposed by the Treaty of Versailles is inevitable. By

imperceptible transitions the democratic legend about the responsibility for the War thus merges into the Pan-Germanist legend of innocent Germany, surrounded by a world of implacable enemies, threatened in her very existence and obliged in dire extremity to struggle with the energy of despair.

What are we to think of such tactics? We evidently can not refuse to acknowledge that the question of the responsibility for the War has entered a new stage. Clearly, a paragraph in the Treaty can not suffice to solve an historical problem and can not take the place of logical proof. By accumulating piles of documents on the question of the origins of the War and by endlessly multiplying the publications of records the Germans have put this problem before *expert* opinion. By close controversy among the few technicians and experts, who alone are in a position to judge the matter as a whole or in its various parts with the formidable mass of testimonies now assembled, a more elaborate judgment will be gradually formed, more objective than can be that of men who were directly involved in the events and shared in the passions which clashed with incredible violence. That judgment is slow of growth; it would be extraordinary if it should be unanimous and definitive. On all great personalities and all great events—whether Caesar or Napoleon, the Reformation or the French Revolution—the judgments of historians develop and diverge. To try to foresee what direction the judgment of history will take on the question of the origins of the War, to endeavor to decide now whether the average opinion of the historians of the future will be nearer the French conception or the German conception, is manifestly a useless presumption. We can only be patient and let time decide.

Under these conditions, it would be vain to imagine that a discussion of the problem of responsibility can bring forth at the present time very fruitful results. It rouses too much passion and has at stake too many moral and material interests to be discussed with the calmness which a scientific debate presupposes. Those who now agitate the question, whether they be historians, publicists or statesmen, really act as polemicists or propagandists; they are influenced by *public* opinion even more than by *learned* opinion. Their writings have more to do with propaganda than with science. Each therefore stands on the same ground which he occupied during the War and is careful not to let a word escape that could be turned to advantage by his adversary. Between the French and German points of view the divergence remains absolute; we are even tempted to say that it has widened since the end of the War. The Germans will on no account admit responsibility since they are struggling for the revision of the Treaty. The French hold the Germans responsible and insist upon the execution of the Treaty. On both sides the principal object, as it was during the War, is to *keep up the morale* of the combatants, to arouse public opinion to the desired pitch by the distribution of controversial and educational literature. The real endeavor is to stir passions, to stimulate minds and to inspire determination much more than to enlighten. Any offensive on one side immediately calls up a reply from the adverse party. The people read the communiqués of this war of the press with mingled eager-

ness, discouragement and scepticism. It is hardly likely that this discussion may make a deep impression on them; I am not even quite sure that they are much interested in it. They are satisfied in the main with convictions, rather instinctive than reasoned out, which they have acquired from direct contact with events. It is inconceivable that these controversies should end in any kind of public inquiry confirming or nullifying the Treaty of Versailles. Nothing would be more futile than to bring about, as has sometimes been proposed, a debate between the French and the German specialists on the problem of responsibility. Indeed, it is clear that they would not persuade one another, nor agree with the impartial arbitrator who might be appointed to reconcile them. The professional historians alas, hardly understand each other better than the polemicists and their learned controversies, far from relieving the strain, have only, up to the present day, multiplied irritating debates. On the whole, it does not appear that the time is near when it may become possible to establish historic truth between the French and Germans. That is a situation which must be faced without any illusions, but also without discouragement, and without ever allowing oneself to despair of human reason. All that can be done on both sides is for each man of good will to cooperate conscientiously and loyally, without useless recriminations, each from his point of view, in the great scientific inquest now open which will continue for ages to come. If actuated by a sincere and common desire for enlightenment nothing can prevent the hope that, without sacrifice of convictions, solutions may gradually be worked out, subtler, more just and less violently contrasted than those which now prevail and clash so rudely in the arena of ideas.

THE WEAKENING OF THE ENTENTE

To a German of the conservative type the English seemed the *principal enemy* after the outbreak of the World War, the cause of which was to his mind the inevitable conflict between British ambition for power and the German effort for expansion or, more exactly, a violent and treacherous attempt of the English to crush and destroy German commercial competition. Germany had already in the past encountered British imperialism, and considered it egotistical and unscrupulous, aspiring to universal supremacy either by asserting naval supremacy, by establishing an immense colonial empire, or by perpetuating division between the European powers through the practise of a shrewd policy of balance of power, a "shopkeeper's" imperialism both brutal and naively hypocritical. This imperialism had jostled against Germany, an industrious and vigorous nation, which opposed organization and science to power and acquired riches and, by applying new methods, had enormously developed her industry and commerce and dared to pose as a competitor to the great British combination and claim her place in the sun of the labor world. Against this troublesome rival, becoming more dangerous every day, the English unhesitatingly had brought about a preventive war in order to ruin Germany's colonial dominions and commercial organization and to put an end to her work of systematic penetration and methodical con-

quest of foreign markets. Thus a conservative German looked upon the War as a kind of unavoidable fatality, the inevitable clashing of two irreconcilable imperialisms, the one already stationary and living on its past, the other wholly modern, full of vigor, based on superiority of knowledge and claiming her right against the tyrannical and antiquated nation that dared to cross her path.

German conservative opinion looked upon this War as a duel to the death, in which no mercy was to be expected from the adversary, and considered therefore that the attack must be merciless without any sentimental scruples. Hence, Germany prepared her plan of campaign with implacable determination.

It was possible for Germany to strike England at two vital points from a military point of view. By laying hold of Belgium and the Flemish coast she could threaten England's insular security since she could thus acquire naval bases from which to make an eventual landing of troops. On the other hand, by stirring up against England Mahometan fanaticism and hurling against her the armies of vassalized Turkey, she could threaten the communications of England with India, lay hold of Mesopotamia by finishing the Berlin-Bagdad Railroad, cause trouble in Egypt and possess herself of the Suez Canal. We know with what tenacity the Germans strove, during the various stages of the Great War, to accomplish these aims either by conquering Belgium and organizing the naval base of Zeebrugge or by the Mesopotamia campaign, where they succeeded in investing the English forces at Kut-el-Amara, and by the Palestine expedition during which they urged on the Turkish forces even to the banks of the Suez Canal. Furthermore, the Germans could by means of their cruisers, Zeppelins and airplanes commit havoc in England itself and thus try to weaken the morale of the civil population. They made use of this means with implacable obstinacy throughout the War in spite of universal indignation and in spite also of the obvious inefficacy of results.

Moreover, they could respond to the naval blockade of the Central Empires established by the English Navy by organizing submarine warfare. This was the idea of Admiral Tirpitz and this was the most dangerous weapon at their disposal. By an inexorable logic the German naval policy *had* to lead to extensive submarine warfare including unlimited torpedoing without warning of all the ships venturing into the zone fixed by the German admiralty. Such tactics, which the experts asserted could alone permit the full use of the submarine weapon, would, it was thought, attain decisive results for Germany. They threatened English supremacy in its own element, on the sea. By relentlessly reducing English tonnage and world tonnage, they bade fair to cut off England's supplies, to prevent the Allies from keeping up their stores of food, coal and ammunition and thus to paralyze their economic life and render impossible the manufacture of war material. Conservative opinion passionately supported unlimited submarine warfare by which it expected shortly to achieve the downfall of England, and the conservatives remain to this day convinced, despite the disillusionment and disappointment caused by subsequent events, that if submarine warfare did not answer their expectations

it was due to its beginning too late and having been hindered by the action of the Left.

Submarine warfare on the other hand, meant an exceptionally serious problem for Germany; it would inevitably cause the interference of the United States. For it was clear from the position they had assumed from the beginning of the War and from the fundamental principles of their policy that the Americans condemned unlimited torpedoing as an attack upon international law, humanity and the security of American citizens and that if the Germans turned a deaf ear to their protests they would side with the Entente. The conservatives entertained no illusions, either as to the seriousness of their danger, the determined resolution of President Wilson and his people or the possibility of the United States bringing efficient aid to the Entente in spite of the distance which separated them. But they ignored all this. Practically, they thought the Americans would come too late to save England from famine and the Entente from exhaustion. Moreover, they believed that democratic America, by preaching a crusade against German monarchy and militarism, was attacking the very foundations of the German state which, by reason of its geographical situation, must be submitted to severe discipline in order to resist the pressure exerted from without upon its defenseless frontiers. Moreover, they felt absolutely sure it was useless to try to conciliate the United States because that nation was already determined in any event to come to the aid of the English. The Americans were urged first by an evident economic and financial interest: being creditors of the Entente and particularly of England for enormous sums they could not let their debtors fall into discomfiture lest this should cause a considerable depreciation in the value of the sums loaned by them. Moreover, primordial interests urged them in the same direction. The Americans, who aimed to lord it over the Pacific Ocean and to assert their supremacy in China, were competitors with the Japanese and saw in the English, the allies of Japan, a necessary safeguard against Japan. Under these conditions the German conservatives reached the conviction that the Americans, having henceforth nothing to fear from England, had deliberately forgotten the old quarrels which had separated them from their mother country; that they were the secret allies of England; that there was an agreement between President Wilson and the English Government and that in no case would the United States let England fail in the struggle, but, according to circumstances, would assist her in concluding an advantageous peace or would come to her aid in case she was in danger of being overpowered.

The intense hostility of the German parties of the Right against England and America was not demonstrated unanimously by German opinion; far from it. There was soon formed in Germany a current of tendencies absolutely contrary to those of conquering imperialism and the policy of might. This opposition from the Left was made up of elements of very diverse origin. We find among them diplomatists sympathizing with England, such as Prince Lichnowsky or v. Kühlmann, who up to the very eve of the War endeavored to bring about conciliation

with the English. There were business men with interests at stake in the commerce of the world, like Ballin, the director of the Hamburg-American Line, who maintained that "there was room enough in the world for Germany, England, America and a few more powers." Idealist pacifists like those grouped in the association Neues Vaterland wished to further the work of conciliation of The Hague. There were Democrats who would if necessary consent to slight rectifications of frontiers, but resolutely opposed a policy of conquests and Socialists of all kinds, some opportunists rather disposed to work together with the Bourgeoisie and inclined to claim territorial or economic concessions, and others more radical with more revolutionary tendencies who urged the people to make a stand against the government. These people of the Left, hostile to annexationist imperialism, partisans of a peace of compromise and anxious to see Germany resume her place after the War in the restored economic world, all agreed to reject the dogma of inevitable enmity between England and Germany. From their point of view the Anglo-German economic and naval rivalry was not necessarily bound to bring about war; an agreement could have been reached between the two countries and their breaking off of relations was due to diplomatic blunders the heaviest of which devolved upon Germany. Therefore, the War was a disastrous misunderstanding which it was important to clear up as quickly as possible in order to resume the economic traffic profitable to both countries. Now no nation was as well fitted as America to intervene effectively to put an end to the terrible universal conflict. In the eyes of the Left, President Wilson was the man whose mediation could bring about peace; they praised his conception of the League of Nations, they appealed to him to arbitrate to stop the great slaughter; they angrily rebelled against the acts of violence by which Pan-Germanists were estranging America and gradually compelling her to take up arms on the side of the Entente.

This is not the place to explain even summarily the struggle which went on during the War between the antagonistic parties and the efforts of the government to maintain a balance which became continually more unsteady. Suffice it to recall that, on the whole, the anti-English tendency prevailed. The declaration of unrestricted submarine warfare and the entrance of America upon the stage, which was its consequence, mark a momentous episode in the evolution of the state of German opinion. At that time the Germans staked all and dealt the decisive blow which was to make them the winners or the losers of the game. A great thrill of expectation and hope then stirred the country.

When fate decided against Germany and the Empire and the War party broke down a sudden change took place. The Revolution of November, 1918, brought to power the Socialists and Democrats, that is to say those in favor of looking toward the west and becoming reconciled with England, the admirers of President Wilson and his pacifist ideals. The new government, repudiating the errors of the former régime, then appealed to President Wilson. For a time they proclaimed the hope of a settlement based on the President's Fourteen Points affording vanquished Germany something not too widely different from that peace without

annexations or indemnities which the Left had championed since 1917. When the Germans were faced with the conditions imposed on them by the Peace of Versailles they experienced a most cruel disillusionment and turned with bitterness against Wilson. Some said he had deliberately betrayed the vanquished and that, after bringing them by false promises to lay down their arms, he had delivered them tied hand and foot to their enemies. Others said that he was guilty less of duplicity than of weakness. He did not know how to stand up for his principles and his ideal of international justice against the representatives of English and French imperialism; he had proved powerless to resist the attacks of Lloyd George and Clemenceau; he began by making concessions and after many compromises he finally signed the Treaty which, in the eyes of the Germans, was inspired from beginning to end by a spirit of revenge and conquest, a peace which doomed the vanquished to total ruin and inaugurated in Europe a period of disasters the end of which can not be foreseen.

This movement of enmity towards the United States and their President was short lived. When, through the Senate and the thousand voices of the press, America refused to sign her approval of her representative's work, when the unpopularity of President Wilson became manifest, when, on January 10, 1920, the exchange of ratifications of the Treaty which officially put an end to the World War took place without the participation of the United States, when it became certain that America definitively refused to assume a place in the League of Nations and left in suspense the project of a treaty of guarantee with England and France and when, after President Harding had been elected, it appeared that the United States was less and less interested in European affairs, the hope grew among the Germans that America was going to break with the Entente and that they might win back her confidence, obtain from her financial help and economic support and find in her an ally in their endeavor to bring about a revision of the Treaty of Versailles. The German Democrats were more optimistic in this regard and more inclined to confidence. The Nationalists showed greater scepticism and retained in part the hostility against the United States which they had exhibited during the War. But all persisted in pointing to the symptoms which showed the change of attitude of America towards her European associates.

The United States, they said, are gradually becoming estranged from Europe and turning their eyes towards Asia. Doubtless, they can not leave Europe to herself altogether for she owes them a debt which with interest amounts to almost 11,500 millions of dollars, and which Europe refuses to pay. Also they are still anxious to export to Europe certain raw materials which they produce in excess, especially cereals and cotton. But the Americans are aware that their country has now become more of a manufacturing than an agricultural nation and that exporting their products is at present of primordial interest to them. In some respects South America, the Pacific and the East are infinitely more important to them than Europe, for the European nations too, especially England

and Germany, are bound to export to live and to compete mercilessly with the United States in the markets of the Old World. Under these conditions, Americans will become more and more accustomed to regard these European problems and conflicts, with which they have become familiar during the War, and the subsequent negotiations, as complicated and dangerous matters in which it is better and more prudent not to become involved. They will be inclined to leave the solution of these problems to England, whom the War has brought nearer America and whom they consider no longer as a troublesome protector or rival but as an associate, and they will turn their eyes towards Asia attracted by greater economic profits and perhaps also by the thought that they have a civilizing mission to fulfil there. The Washington Conference in which the United States affirmed with so much boldness and broad-mindedness the problem of disarmament and in which the question of the Pacific was settled by the agreements of December 13 and 15, 1921, distinctly showed the object of American ambitions. The Germans unhesitatingly admitted that there was no longer possibility of European dominance; the old continent, laid waste, in debt and divided by hateful rivalries, had lost its former universal preeminence and had gone over to America who now commanded the most formidable economic power ever known in the world and, with the British Empire, formed an Anglo-Saxon consortium destined to rule the world.

The Germans respected this American power and expected beneficent effects from it. They believed that by her sense of justice, her practical instinct and her sincere pacifism America would exert a moderating influence over the Entente and particularly over France. She alone, they said, could save the continent from ruin by granting financial support through an international loan and by favoring an altruistic policy regarding exchange, food supplies and the allotment of raw materials. American intervention was bound up with a just solution of the problem of the reparations and of the question of disarmament. American business men held on the one hand that they could allow Germany no credit as long as money loaned her would have to be thrown, as they said, into the bottomless pit of the reparations and, on the other hand, that it was impossible to consider giving up any part of the money owed them by Europe as long as anarchy reigned on the continent and American money would therefore be used by the European nations to keep up ruinous armaments on sea and on land. The Germans therefore thought they could rely on American help to bring about the revision of the Treaty of Versailles, a decrease of the amount of the reparations and the reduction of armaments, particularly of French military forces. They thought they were right in stating that French imperialism had caused a violent revulsion of American opinion against France. They thought the Americans, shaking off the prejudices created by the War and maintained by the propaganda of the Allies, would realize more and more that it was to their interest to keep in good working order a highly industrious nation like Germany, with whom they could henceforth arrange profitable trade.

Towards England also German opinion has changed much since Lissauer's Hymn of Hate and the time of unlimited submarine warfare.

Undoubtedly there is still keen hostility against Great Britain among certain conservatives and certain Democrats, such as George Bernhard, who recommended forming a continental union as a necessary counter-balance to Anglo-Saxon hegemony on the seas. But nevertheless the overwhelming triumph won by England impresses the Germans. To be sure the British giant exhibits many a weak point which the German press carefully exposes; the Irish troubles which constantly assume a more revolutionary character; the labor movement which threatens to cause serious social conflicts; the alliance of Bolshevism and Pan-Islamism which threatens Mesopotamia, Persia and Afghanistan and endangers the English sway over India; the victories of the Turkish Government of Angora which check English policy in the Near East and Egyptian nationalism which threatens to withdraw from English control the valley of the Nile and the Suez Canal. But in spite of these threatening clouds, the victory of the English is complete. They have achieved all their aims in the War. They are the undisputed lords of the sea: they had almost all the naval and merchant fleets delivered to them; they obtained the destruction of the submarines and prohibition for the Germans to build or buy submarines, even for commerce. They annexed to the British Empire according to the wish of the Dominions almost all the German colonies. They destroyed German competition for a long time to come and confiscated or sold the German possessions abroad. Russia, formerly a nightmare to English diplomacy, has sunk into anarchy and no longer threatens English interests either in the Near East, India or the Levant. Such an extensive victory impresses the Germans, who have an inborn respect for force, as a kind of judgment from above or in any event a fatality against which, for the present, it is useless to struggle.

They are all the more prepared to yield to this fatality as, for various reasons, the political attitude of England towards France on the one hand and towards Germany on the other is gradually altering.

It is an old tradition of English policy always to turn against the strongest continental nation. This nation is at the present time no longer Germany but France. Germany is sufficiently weakened by her defeat and by the treaty forced upon her for victorious England henceforth to tolerate her rising again from her ruins or even resuming a certain prosperity. But, the Germans add, it is not so with France. Hypnotized by their fear of German revenge the French are trying to prevent her doing any more harm, and to that end, to reduce her to a state of permanent powerlessness. Hence their plotting to annex the valley of the Rhine, to take away from Germany her richest industrial and mining districts in the west (the Ruhr) as well as in the east (Upper Silesia), to set up the Polish barrier between Slavism and Germanism and to crush the Germans under the burden of reparations. All these machinations tend to prevent the political and economic recovery of Germany. On this point there is an obvious divergence between

French and British interests. The English would gain nothing by the total breakdown and the definitive ruin of Germany. The unbalanced supremacy of France on the Continent could be but prejudicial to the economic development of England. The latter has therefore no reason to favor a new dismemberment of Germany or to tolerate a demand for excessive reparations which would risk causing serious social disorders in Germany and would indefinitely delay the economic restoration of Central Europe. The interest of England demands that Germany should recover enough strength to carry on profitable trade with the British Empire without, however, becoming a troublesome competitor. Hence, since the signing of the Treaty of Versailles, England has constantly thwarted French policy on all such points as the occupation of the Ruhr, the division of Upper Silesia, the fixing of the amount of the reparations and the strict exaction of the payments agreed upon. At all times and places she has tried to *spare* Germany or at any rate to attenuate the effects of the systematically rigorous policy followed by France.

This opposition was still farther strengthened by economic motives. Directly after the War British opinion anticipated a period of active business and intensive production. The War had destroyed countless wealth. The British had expected to make up for this loss, through the industrial world. They thought there would be no lack of orders for a long time and a period of abundant work and considerable profits could be expected. Every one knows how events disappointed this expectation. It was gradually discovered that the delicate machinery of exchange had been thrown out of gear. As a consequence of the War the nations were divided into two categories: on the one hand, the vanquished countries, ruined or ravaged by the War, overwhelmed with enormous debts, where inflation was prevalent and money was depreciated and the capacity of the population for buying had been reduced to an enormous degree; on the other hand, the victorious countries where the assets remained proportionate to the resources, whose budgets were balanced, whose money had kept its value and where the standard of life had not been reduced. On both sides there was typical distress. Germany experienced that of the first category which we shall describe later on.

England, who made both during and after the War a considerable financial effort, who taxed her people heavily, and maintained her money near the normal point and whose budgets were in good order, experienced a most serious social crisis. She encountered the greatest difficulties with regard to her export trade because her goods could not be absorbed by nations with depreciated exchanges; hence supplies were heaped up, orders were less frequent and the result was a most alarming crisis of unemployment. There were in England two million workmen out of work, which means that, with the women and children, eight to ten million people, i. e., about a quarter of the population, were without any means of subsistence and had become a burden to the nation. Since labor was paid much more in England than in the European countries—for one ounce of gold ninety hours of work could be bought in England, 125 in France and even many

more in Germany—and, since England was not in a state to provide for her own wants and was *bound* to export goods to pay for the provisions she needed, it is easy to see how serious was the situation in which she was placed. All the countries in the world are now endeavoring to reserve their home market for their own people and to protect themselves with barriers of higher and higher customs duties in order to shield themselves from foreign competition. These are terrible prospects for the present as well as for the future of England. Well-informed observers predict that British commerce with North America will inevitably decrease on account of protectionist measures taken by the United States and that in South America it can not develop because of German competition. The English thus find themselves faced by a danger which threatens the very basis of their existence.

What remedy is there for this situation? It is sometimes said that England will gradually turn aside from Europe and fix her attention more and more on her colonies overseas. Facts do not seem to justify this prediction, at least for the present; indeed statistics show that English exports in Europe now occupy, in the whole of British export trade, a place comparatively somewhat more important than before the War (35.1 per cent instead of 34.4 per cent). For exports to recover, it is necessary that England should regain also in Europe the markets lost through the War. English business men are now persuaded that the present crisis will only come to an end through a *general* restoration of Europe. The French and Belgian reparations are an important part of this work of restoration, but from the English point of view it is quite as essential to revive the Russian market, the German market and all the markets of Central Europe. The result of this is that English policy stands again in direct opposition to French policy. The French set forth their absolute right to obtain just reparation for the damages they have suffered and protest when mention is made of sacrificing their interests to those of the economic revival of Europe. The English insist on the necessity of *sparing* overburdened Germany, incapable of paying. They call upon us to moderate our pretensions, to consent to reduce the debts due to us; otherwise, they say, it will be impossible to restore Europe and consequently to put an end to the universal crisis. The French say: "It is exceedingly unjust to destroy us in order to help the Germans, and to refuse France, the great victim of the War, reparations without which she can not live, under the pretext of restoring the economic life of Europe." To this the English reply: "We do not deny the right of France, but the reality of facts must be taken into account; the strict execution of the Treaty is impossible; if through undiscerning selfishness France insists on drawing from Germany sums beyond her means, she will only succeed in causing an economic and social cataclysm which will crown the work of destruction accomplished by the War and complete the ruin of the European continent and of western civilization."

German political writers claim that the Franco-English Entente has long ago reached its height and that it is now beginning to decline. Except in certain

rather limited circles, they say, no one believes in it, or wishes for it in England or in France. If it subsists to this day, it is because of an entirely matter of fact motive—the intricacy of the question of the debts between the Allies. This problem is a very maze of mutual financial obligations at the end of which looms the United States, the only creditor with no debts, to which the united European nations owe the enormous sum of 11,500 million dollars (including interest to August, 1922). This chain of war debts binds America, the common creditor, to her two debtors, England and France. A financial agreement *must* sooner or later bring about a settlement of this situation. Complete isolation is impossible for any one of those involved in it. Breaking off would bring about complications which no one is prepared to contemplate seriously.

What are, for Germany, the advantages and the disadvantages of a break between England and France? This question has often been discussed in the German press. As a general rule the Germans are very well aware that though they profit by the divergent opinions of the two allied nations, yet they would not gain much by an open conflict. England, writes Hoetzsch for instance, in the *Kreuz Zeitung* (August 13, 1922) recognizes the situation and suffers by it, but he has not the energy to face the consequences it involves. She sees with no displeasure the Reparation Commission take its time to study the problems submitted to it. She is not alarmed by the rumors about a direct understanding between France and Germany. She will on no account have France consolidate her political and economic situation on the left bank of the Rhine. But she would do nothing against France if she were to decide upon acting alone. The protracting of an Entente in which France imposes her will and continually extorts from England new concessions to Germany's detriment is harmful politically for the Germans. But the breaking off of the Entente, involving England's withdrawal from the European concord and leaving France free to act, would be no less disastrous to Germany and would involve great risk.

For this reason German opinion anxiously follows the evolution of the war between the Turks and Greeks in Asia Minor which may reopen at any moment in all its complexity the dangerous question of the Near East and runs the risk of deepening still more the latent antagonism between France and England. Germany feels that it would not be to her interest for an increasing tension to endanger the peace of the world and she makes a great show of her desire for peace. She seeks to profit by the conciliatory disposition of England to thwart the French will. On the other hand, she is not prepared to form a direct agreement with France against England. She sees her best chance of recovery in the settlement of the mutual debts of the Allies, which would lighten the burden weighing on Germany and pave the way for an international loan, i.e., for American help, which alone can save Europe from a new cataclysm and without which all other efforts would be futile.

GERMAN-RUSSIAN RELATIONS

At the beginning of the War, German opinion broke forth almost unanimously against Russia. Most of the Germans, Pan-Germanists or conservatives, Democrats or Socialists were at one in denouncing the craving for conquest of Pan-Slavism as one of the main causes of the universal crisis. All agreed that the ambitions of Russian nationalism constituted an extreme peril for western civilization. These ambitions manifested themselves in the harsh oppression by the Russians of all foreigners, Finlanders, Poles, Ukrainians, Jews and Mohammedans. By threatening the integrity of the monarchy of the Hapsburgs through an inordinate and criminal propaganda, the Russians had challenged Austria to a duel to the death with Russia. By passionately claiming Constantinople they acted directly against German policy which rested upon a Turkish alliance and on pacific penetration in the Near East by the railway from Berlin to Bagdad. They threw into the War even the Russian peasant by persuading him that a rush towards the west would give him more land.

The theme of a crusade against Muscovite barbarism was set forth and discussed with a thousand variations by the German press of all shades of opinion in the first period of the War. It was developed with especial complacency by the Democrats and Socialists who were glad to be able to display Germany as the champion of western liberty against the Tsar's autocracy. But it was accepted also by the bulk of the Pan-Germanists, advocates of the "Great Germany" and of Germanic extension towards the east, although there was soon foreshadowed among the conservatives a desire to resume Bismarckian traditions and to prepare by fair compromise a German-Russian agreement.

The Russian Revolution of 1917, the advent of the Bolshevik régime and the peace of Brest-Litovsk resulted in a complete change in German opinion. The two main causes of German hostility against Russia, dominating Pan-Slavism and Tsarist autocracy, had disappeared in the fray. The parties of the Left therefore abandoned their prejudices against a Russia converted to Socialism and aspiring to universal peace. As to the parties of the Right, the breakdown of the Tsarist régime disclosed to them political prospects of enormous import which stimulated their imaginations to the utmost and which were vividly set forth in a much celebrated book by Werner.¹

The Russia of the Tsars opposed to German penetration an obstacle exceedingly difficult to overcome. On the contrary post-war Bolshevik Russia was no more than a hotbed of anarchy which must be kept at a safe distance but which no longer offered resistance to penetration and could in return become a large field of colonization for the Germans. Under these conditions, the whole world problem assumed in their eyes an entirely new aspect. The policy of Germany had been formerly directed against Russia which it endeavored to drive back into Asia. This policy tended to secure for Germany an increasingly large share in

¹ *Der Aufmarsch im Osten*, Munich (undated),

the world overseas trade and a colonial empire in proportion to her power of expansion. But the German effort had struck a formidable obstacle, the British Empire, which with its size, its economic power and its naval supremacy had thwarted German ambitions. As long as Germany was to be separated from her colonial empire by the ocean, as long as England and her dominions remained practically inaccessible to German military force, it was clear that the foreign policy of Germany could not be made effective.

Everything was altered from the moment when, the offensive power of Russia being crushed, Germany became free to extend her political and economic hold over Russia and beyond Russia to Eurasia. At once the naval and colonial dream of the Germans could be dismissed as secondary. All their efforts tended to the establishment of a German economic hegemony over the whole Eurasian mainland. Such an aim was worth pursuing with the utmost energy. The Germans did not conceal that *Mittleuropa*, as conceived by Neumann and limited to Germany and Austria-Hungary, even though augmented with Turkey and her possessions, could hardly provide for itself; German industry would find no raw materials and no markets for its export trade, both indispensable. On the contrary, a system including Russia and her Asiatic possessions would produce almost all that was necessary for consumption, food, agriculture and industry, and would constitute an economic field destined in the future to an almost unlimited extension. This vast combination therefore was what was to be realized. To this end, Germany must respect the *political* independence of Russia, while gaining an effective influence over her *economic* organization. The operation would appear to be somewhat like the German penetration in Turkey and the construction of the Berlin-Bagdad Railway. With European Russia, Germany would seek nothing but military security and an increase of trade; she would be the providential money-lender, the helpful engineer, the expert administrator who would repair the ruined organism of Russia. When the reconciliation of the two countries was complete, Russia and Germany—under the direction of Germany of course—would settle the Siberian and Turkestan business together, as Germany and Turkey had jointly settled the Berlin-Bagdad matter. Germany was firmly convinced that she was capable of bringing to a favorable issue this gigantic operation and that she would be abundantly repaid for the expenses and loans involved. The German-Russian entente once established upon a firm economic basis would immediately become a colossal political power, capable of balancing even the Anglo-Saxon alliance. Nay more it would be able to threaten the British Empire in its vital parts, India and the Suez Isthmus. It could stretch out its hand to Japan, who was sure to seek some day a continental base to resist the United States and win the hegemony of the Pacific. Thus Germany would become a world power, capable of meeting England on equal terms and of claiming a share of influence in maritime commerce and an adequate colonial dominion.

The German military breakdown and the Revolution of 1918 put an end temporarily to this grand dream of a continental alliance. Germany felt her

very existence threatened by the Revolution on one side and by the demands of her adversaries on the other. From that time on she has not been able to work out venturesome combinations of foreign policy. But on all sides there is developing in German opinion the conviction that a future reconciliation between Germany and new Russia is a vital necessity. Russia and Germany are manifestly the two great victims of the War. On both weighs the anathema of the new masters of the world. Both are shut out from the League of Nations, treated as outcasts and suspects and not permitted to take part in the new world order. Both are grievously wronged by the Treaty of Versailles, which solves the Oriental problem and especially the Polish problem in a manner impossible of acceptance by Russia or by Germany. Neither can admit the pretension of the Allies and of France in particular to erect a barrier between the Slav and the Germanic worlds. Under these conditions the Germans persuade themselves more and more that Slavs and Germans are thrown together by a veritable historic fatality and that, in order to emerge from the state of misery and distress in which they are plunged, they must join hands and unite their efforts. The order instituted at Versailles can not last; the arbitrary will of the Allies can not prevail against the force of facts in the long run. Russia can not do without German help towards her economic recovery; Germany on the other hand needs Russia to help in giving work and food to her surplus industrial population. Hence, the Germans infer that a German-Slav reconciliation is inevitable and will take place sooner or later. They loudly declare that peace will only be real when renovated Russia returns to the civilized community and democratized Germany resumes her activity and works efficiently towards her economic recovery.

Of course there are very wide differences of opinion between the several German parties as to the manner of securing this reconciliation.

The advocates of alliance pure and simple with the Soviet Republic are now few and uninfluential. We have seen above that the Communists and Left Independents who demand the adhesion of the German Socialists to the Third International of Moscow and recommend destroying capitalism by universal revolution are a clamorous minority but without any material influence upon the German masses. The approval of a few extremists of the Right must not be taken too tragically either. The national Bolsheviks who dreamed of a crusade against the capitalist imperialism of the western democracies never were more than a handful of agitators with no real power. The "parlor Bolsheviks" of the style of the conservative Professor Eltzbacher, who hold that Germany's passing through Bolshevism is an inevitable fatality and hence exhort their compatriots to plunge voluntarily into it as soon as possible are adventurers whose paradoxes may more or less impress the crowd but who are really without influence because of general incredulity. Naturally, no one can say that Germany will not pass through a period of anarchy if the economic crisis which will infallibly break out sooner or later reaches a certain point of acuteness and entails prolonged sufferings for the working classes. But it is clear that as a rule the German

laborer does not naturally incline to Bolshevism. He is sufficiently well educated even in very radical circles to appreciate the deep divergencies which separate Germany from the Russia of the Soviets and to feel how dangerous it would be, in an industrial country of technical science and of a complex and highly delicate organization to try to establish thorough-going Socialism which even in an agricultural country like Russia has only been practised with profound modifications.

The Left, the Majority Socialists as well as the Democrats generally, adopt toward Bolshevism an attitude which though not radically hostile is nevertheless deliberately critical. The Bolshevik Revolution, they say, is the negation of the Democratic ideal and a miserable parody of Socialism. It instituted in Russia a régime of odious and unbearable terrorism and is doomed to inevitable failure, for it has brought the country to famine and ruin. Yet one must not pass an absolute condemnation upon Bolshevism and see in it solely a kind of social plague against which all means of defense are good, a center of infection which must at all costs be immediately destroyed.

The governmental Socialists are opposed to the peril of the Left, the danger of premature Communist experiments, the violent dictatorship of radical minorities and the precipitation of universal anarchy. But they are aware, on the other hand, how difficult it is to make an accurate distinction between visionary radicalism and reasonable reform. It is no longer enough to affirm as Marx did that social upheavals will inevitably come about by the natural laws of evolution, by an organic process which must reach a certain degree of maturity before a revolutionary movement can be likely to succeed. While the Moderates condemn Bolshevism for attempting to act before the time is ripe, one sees increasing everywhere the number of those who will no longer wait and who claim they are the true interpreters of Marx's thought in recommending and practising immediate action. Socialism, everyone knows, can no longer confine itself to scientific *passivism* which scoffs at visionaries; it must end in resolute *activism*. Now it is, obviously, very hard to fix the exact limit where activism ceases to be practical and becomes chimerical, harmful and blamable. Hence the embarrassment of the theoretical Socialists when they seek to fix the clear limits between Bolshevism and Socialism. Without doubt they strive to do so and to establish a precise line of demarcation between those who see no recovery outside a violent universal revolution and those who consent to cooperate in a large pacific movement, at once democratic and social, bringing about the gradual transformation of capitalist society without causing too dangerous upheavals for the public order and the continuity of production. But the most opportunist Socialists do not conceal the fact that however hostile they may be to Bolshevik tactics nevertheless they can not bear a hand in the violent suppression of a movement which in its ideal principle does not differ from Socialism.

It is not only on the Socialists that the action of Bolshevism exercises a metaphysical influence. It is felt also in circles of moderate tendencies, in certain

intellectual spheres. Many distinguished minds still see in Bolshevism, in spite of all its excesses, a most deeply-rooted religious ideology.

Very typical in this respect, is a study on *the new universal crisis* published at the end of 1920 by one of the most ingenious thinkers of the new Germany, Count Keyserling. The world, he says, is on the eve of a conflagration as formidable as that of 1914, and is not aware of it. Through intellectual laziness and through lack of spirituality it allows itself to be borne along the stream of determinism which inexorably urges it on towards new convulsions. In 1914 the Central Empires were inferior in ideas. The nations of the Entente had moral imponderables in their favor; they won the victory because the ideology they had set up as their standard at the very beginning of the struggle impressed the masses with an irresistible suggestion and finally set the whole world against Germany. Since the Peace, however, the Entente has renewed all the blunders committed by Germany before 1914. It has become matter of fact, selfish and materialist, it does not believe in the strength of ideas but in positive interests and in the power of bayonets. The ideals of right and justice which had roused the peoples against German aggression are dead or nearly dead. The only ideology alive in Europe is now the Russian ideology; it is an immense force because, though unembodied and symbolical, it is invulnerable to defeat, to famine and to material disasters, and is susceptible to infinite metamorphoses. Primitive Bolshevism will surely not conquer the world; it is every day more likely, on the contrary, that unfortunate Russia by her suffering has saved the world from this plague. But as it develops, Bolshevism alters and assumes various forms. Russian Bolshevism as such is dying, but it is born again under new forms among the Hindus and Mohammedans, it settles victoriously in Italian factories, it ferments among English miners and Irish Sinn-Feiners. The collision between this young force and the old spiritual forces which are slowly dying away is imminent. Soon will be seen a new heroism springing from fundamental pacifism as it did in 1914. Let Germany beware! The problem which is set for her rulers is alarming; the frontiers must be closed to Russian Bolshevism which can bring but distress and death, but ideal Bolshevism must be welcomed and adapted to German needs. "Doubtless", Count Keyserling concludes, "the effective ideologies at present provisionally tend to revolution and destruction; but we must remember in the first place, that they are the only real powers on which one can reckon for a long time; and secondly, that it is always possible, with sufficient skill, to give a constructive tendency to an originally destructive element. Beyond what we at present call Bolshevism there smiles a renaissance probably more perfect than the former order of things. On this side of it, there are but gaping graves!"

Other publicists symbolize by the names of Lenin and Wilson the two contrary principles which are contending on the continent and see in Germany the mediator who will put an end to a disastrous struggle. Wilson, they explain, is the representative of capitalist democracy and the ideas of the XIX Century who announces the League of Nations and a universal system which, while proclaiming

a new principle of human solidarity, acknowledges and maintains the individual existence of the nations. Lenin is the champion of thorough-going Socialism, the apostle of a real league of the peoples, and absolutely denies the concept of the nation. Germany is the meeting point of Bolshevism and Wilsonism, of the former democratic order and of the new order based on the dictatorship of the proletariat. The older Europe and the new Europe will fight their fiercest battle there. Germany, on account of her recognized ability in matters of social organization, can, better than any other nation, help to discover the formula of the future society and to establish a happy synthesis of the two antagonistic principles. But to this end she must be allowed an acceptable peace, permitting her to recover and again to begin to work. If this peace is denied her, if she is not allowed to choose between economic bondage and Bolshevik anarchy, no one can foresee what will happen. Evolution will take its course in any case. It is to everybody's interest that it take place as favorably as possible, through pacific reforms. But it can also proceed through terrible upheavals, through bloodshed and through the ruin of all the material and moral forces of our time. It rests with the Allies, particularly with the victorious Anglo-Saxons, to favor, by their policy relative to Germany, either peaceable evolution or violent revolution, to make better or worse the fatal European crisis. Their own interests demand that they do not drive Germany to despair. To this sheet anchor the Germans cling; they will not, they say "give up all hope of hearing the voice of reason and humanity rise among their adversaries"; they will "trust in the victory of reason and of right."

Under these conditions the attitude of the German Left towards Bolshevik Russia is in no way irretrievably hostile. They certainly pass a severe condemnation upon Bolshevism; they do not believe in its definitive establishment in Russia and they hold that its diffusion must be energetically combated. They do not think, however, that it constitutes an immediate danger for modern civilization, nor that it is the prelude of a universal revolution. Certainly Europe has not yet come out of the critical period; the coming winter appears alarming and one understands better than ever the anxieties of discerning observers such as Hoover, who wonder whether European peoples will be able to put their affairs in order without experiencing the abomination of famine, or such as Vanderlip, who foresees the possibility of disasters even more dreadful than those of the War. Yet universal revolution is not probable. In Tsarist Russia the Bolsheviks formed a group which was strong enough to seize control by a stroke of violence. Nowhere, either in England, in France, in Italy, or in Switzerland is there a party that seems to be in position to do the same. There may be famine riots, mutinies, anarchist plots, but the probability is that the governments will be able to check them, as their organized forces will be stronger than the chaotic action of the Revolutionists. Even in Germany the prospects are less alarming than they were during the period immediately after the Revolution. We have seen that the Majority Socialists maintain, in spite of the difficulties of the present time, that the Red peril has ceased to be dangerous.

Those who in all countries raise the specter of universal revolution are the extremists of both Left and Right, some in order to give themselves importance and make fanatics of their followers, others to frighten the peaceful Bourgeoisie and rouse them against Democracy and Socialism of all kinds.

But if the threat of a universal upheaval tends to diminish, if the Soviet Republic does not really constitute a danger for the west that must be immediately crushed, then one must beware of using violent methods against Russian Bolshevism which might lead to no useful results. The German parties of the Left unanimously judged with utmost severity both the attempts of Russian counter-revolutionists such as Denikin, Youdenitch and Wrangel to violently overthrow the Soviet order with the help of the Allies and the attempts of the Entente to put the Bolsheviks at their mercy by the economic blockade. They condemned the policy of violent repression formerly used by Churchill as they now condemn the uncompromising attitude of France at Genoa and The Hague. On the other hand, they emphasize all the symptoms which seem to show an internal renovation of the Soviet régime and are sceptical regarding gloomy pictures of the Russian chaos, which they often claim are biased. The sympathy of the parties of the Left is with a humane and moderate policy which would be approved by the liberal and labor elements in England, and partly too in France. According to them Russia ought to be provided with food, raw materials and manufactured objects of all kinds and furnished with the technical and financial assistance which she so urgently needs. Thus the Bolshevik plague would be combated with the blessing of peace which once established in a new Russia, would quickly sweep away Bolshevism by a revolution or would create such a transformation that Bolshevism would cease to be a peril for the rest of the world.

We can understand that under these conditions, the German Democrats and Socialists followed with utmost interest the evolution of Lloyd George's policy towards Russia and his repeated attempts at beginning, by an understanding with the Bolshevik leaders, the work of the economic restoration of Russia. Indeed they consider it is of the utmost importance to take advantage of the conciliatory disposition exhibited by the leaders of Bolshevism to make peace, to pacify the East and to reestablish economic relations. They praise Lloyd George for understanding the necessities of the hour and realizing that it was time to make some concessions in order to reach a practical solution. But they protest against the "uncompromisingness" of France, who, by her determined hatred of Bolshevism and the bitterness of her capitalist spirit, is preventing conciliation.

Very different is the attitude of the parties of the Right.

Contrary to the Socialists, the German Nationalists and Populists are radically hostile to the very principle of Bolshevism. To be sure the imperial government during the War countenanced revolutionary propaganda and let Lenin and his acolytes pass into Russia. But this unnatural alliance was, the publicists of the Right declare, but a legitimate stratagem of war, a necessary measure taken under pressure by the General Staff in order to deal a decisive blow

to one of the most dangerous adversaries of Germany and break through the blockade. These publicists maintain, however, that the German leaders were wrong not to break definitely with the Bolsheviks as soon as the agreement had been carried out and that they grievously compromised themselves by their complacent attitude toward Lenin, Trotsky, Joffe and other Bolsheviks. They loudly demand that this detestable policy be dropped and that the German Republic declare without any possible ambiguity that it will have nothing to do with the Soviet Republic. Hoetzsch clearly states in the *Kreuz Zeitung* that "there can be no peace with Bolshevism." The German Nationalists in no way condone the Soviet régime; they fight it bitterly and advise against any dealings with it. They do not believe it will last.

This does not mean that they are prepared to support unreservedly the Russian counter-revolutionary attempts. The German Reich had the reputation some time ago of being the center of European reaction and the upholder of Tsarist absolutism. The Nationalists of today think they must protest against this impression which has been spread abroad by the press of the Left, and they consequently avoid carefully any action likely to confirm it. They freely acknowledge that the restoration of Tsarism and of an absolutist régime is practically impossible now, for it would encounter the obstinate opposition of the Russian peasant constantly in fear of being deprived of the lands given him by the Revolution. Hence the Nationalists are reserved as to the enterprises of Kolchak, Denikin and Youdenitch. They consider these men mere revolutionists whom the new Russia will never accept and that therefore Germany would compromise herself by openly supporting them. The most cautious avoid even approving of von der Goltz's extraordinary attempt to constitute in the Baltic provinces a German-Russian Army capable of marching either against Petrograd and the Bolsheviks or against Berlin and the German Republican government; they are careful to make known their absolute scepticism regarding a most untimely venture which encounters the determined opposition of Soviet Russia and of the Baltic populations of the Entente, as well as of democratic opinion in Germany, and which is consequently doomed to inevitable failure. They repudiate also on another score the inheritance of the past. They acknowledge that German imperial diplomats did "bet on the wrong horse," when they practised in Russia their policy of buffer states, worked for the annexation of the Baltic provinces and organized a sham government in Ukraine. Here again they are determined to break away from a ridiculous and disastrous political dilettanteism. It is as vain and absurd for the German Government to bestow kind words on Denikin as to allow irresponsible people to send relief to rebellious Ukraine. The Nationalists feel that in both cases, German diplomats must preserve a well-defined attitude and be careful not to lay themselves open to the reproach of duplicity.

Under these conditions, the papers of the parties of the Right have made known their complete hostility to the French policy. We observed above how persistently they proclaim the impossibility of Russia's ratifying the solution

given the Oriental question in the Treaty of Versailles, stating that Russia can accept neither the protection granted by France to her Polish and Rumanian associates at the expense of Russia nor the pretension of French diplomacy to set a barrier between Slavism and Germanism. They ceaselessly denounce France as the most pernicious incarnation of the militarist and capitalist spirit, as the instigator of the War, as the kill-joy of Europe; they charge her with perpetuating the latent state of war of the Continent by the stubbornness with which she persists in demanding the execution of the Treaty of Versailles and by her bitterness in claiming the reparations from Germany and the acknowledgment of the debts of Russia, thus thwarting the work of reconstruction of ruined Europe. In a word France is, for the press of the parties of the Right, the hereditary enemy and they persist in constantly showing that, against her, Germany and Russia must defend themselves jointly.

Among certain conservative circles can be observed an almost equal animosity against England and her Russian policy. In this respect an article of 1920 by General von der Goltz is very typical; he sets forth in a particularly violent tone his grievances against the British policy. It would have been easy for England, he says, to deal the last blow to Bolshevism by supporting an offensive against the Russian military leaders. But England *does not want* the suppression of Bolshevism which is profitable to her since it perpetuates the impotence of Russia and at the same time assures the impotence of Germany; England wants a Germany ruined by the suppression of her foreign trade, condemned to deteriorate through famine and a lowered birthrate and compelled to yield her docks, her wharfs, and the direction of her industries to England. To protract Russian anarchy by supporting Bolshevism in Russia; to organize the economic bondage of Germany by taking away from her all possibility of recovery, such is the "diabolical" intent of English diplomacy. It seems to succeed for the present but its triumph may be only ephemeral, for such a mercantile imperialism will come in conflict with the proletariat imperialism of the Bolsheviks which will certainly find support in the working classes of England. No one can predict which imperialism will prevail.

Resolutely hostile to France, often distrustful of England, the parties of the Right agree to proclaim, one and all, that Russia and Germany are inseparably bound together. Contrary to the Socialist or Bourgeois ideologists they are careful not to regard Communist Russia as a moral force. They consider her merely as a power momentarily paralyzed, but which will sooner or later inevitably revive and they consider that a Russian alliance is the best chance Germany has of being able some day to resume her "policy of might," either from the diplomatic or the economic point of view. When united, the Russians and Germans will dare to face either the threatening ambitions of Greater Poland, supported by France, or the economic tyranny of England. They will be able to emerge from chaos, free themselves from the yoke of the Entente and await the time when the opportunity shall present itself to resume their grandiose dreams of

a continental union. Therefore, it is important to resume at once the Bismarckian tradition of a Russian alliance, and to this end to establish relations with the wholesome elements of Russia. Where are they to be found? Apparently the conservatives admit that they will at present be found neither in the extreme Right nor in the extreme Left. The restoration of Tsarism is impossible, for it would encounter the desperate resistance of the Russian peasants. The permanent establishment of Bolshevism is a chimera; that régime of bloodthirsty dictatorship is about to fall and must be mercilessly combated. The living forces of the future will be found in Russian liberalism, freed from the narrow doctrinarianism of the former cadet party, and in agricultural Socialism, which embodies the most elementary aspirations of the peasant. These are forces which Germany must strive to conciliate by definitely repudiating reactionary aims and by freeing herself from Bolshevik compromises.

One now understands the deep impression made on German opinion by the Treaty of Rapallo, which officially reestablished the state of peace between Germany and the Soviet Republic.

The exact import of this agreement and its practical advantages were at first not quite clear. Some saw in it principally a contrivance of foreign policy, others insisted more on its economic import. Many rejoiced that Germany had come out of her isolation; they imagined that the Russian reconciliation was the first break in the political and economic blockade organized by the Entente; they hoped the Treaty of Rapallo would afford a means of overthrowing the Treaty of Versailles. Others thought that Germany would be able to export to Russia either goods or engineers and technicians and that she would share in the profits of the Russian economic restoration. A fair number of people acknowledged that no immediate material advantages could be expected from the treaty, that Russia had for the present next to nothing to export, that her capacity for buying was nil and that the German merchants had therefore no other resource than to prepare the ground for future relations. Certain people did not ignore the fact that the publication of the Treaty of Rapallo at the beginning of the Genoa Conference was a mistake in tactics, that it had afforded a specious pretext for charging Germany with disloyalty, that it had made the gulf deeper between France and Germany and that it provided an excellent topic for declamatory speeches of the nationalists of the Entente. Some also realized the fact that the agreement was chiefly useful to the Bolsheviks, who brandished it like a weapon in order to obtain from the Allies the acknowledgment of the Soviet Republic and the grant of credits greater than Germany could ever grant.

And yet this treaty, which nearly caused a most serious European crisis and from which business men expected no immediate benefits, at once assumed in the eyes of the bulk of the German people a somewhat symbolic value. For the first time since her military breakdown Germany emerged from the passivity into which events had forced her. On her own initiative she had performed a highly significant political action. And this action was approved by the Left as well as

by the Right. To the former it appeared that Germany, by setting the example of an agreement with Soviet Russia, had boldly placed herself on the side of the spiritual forces which would command the future. To the latter it appeared that Germany, turning her eyes towards the East and resuming the tradition of Bismarck, was paving the way for a new grouping of the Powers and for opening a new era in the history of the world.

CHAPTER IV

THE PROBLEM OF THE REPARATIONS

GERMAN BANKRUPTCY

The thorough reparation of the damages caused by the War in our invaded provinces was one of the main satisfactions which French opinion expected from the Peace. During the hostilities our right to this had again and again been stated by our leaders and acknowledged by the heads of the Allied nations. It occupied the first place in President Wilson's Fourteen Points. It was confirmed by the Armistice agreement as well as by the Treaty of Versailles, which established in favor of the Allies, in order to guarantee the payment of the reparations, special privileges over all the possessions and resources of the German Reich and the German states. The Treaty, moreover, provided for the creation of a Reparation Commission, endowed with extensive powers, entrusted with estimating periodically the capacity of Germany to pay, with controlling the results of her taxation system and with seeing that this system was proportionally as heavy as that of any of the nations represented in the Commission. That Germany was able to pay the considerable sums which she was declared to owe no one here doubted. Did not rich Germany, of which Helfferich and Steinmann Bucher had, on the eve of the War, proudly displayed the prosperity in sensational statistics, possess unlimited wealth? It was reckoned, for example, that the potash of Alsace was worth 60,000 millions and that the mines of the Ruhr alone were worth 1,000,000 millions! We were convinced that Germany, whose industrial plant was unhurt, would, as soon as hostilities were at an end, resume the prodigious activity she had displayed before the War, and consequently would be able to effect with no great difficulty payments reaching yearly thousands of millions of marks. She would work for the reparations; in case of need, it would be easy to force her to pay. Under these conditions we were confident that the restoration of our devastated provinces would take place without our having to resort either to new taxes or to national defense bonds or to the multiplication of bank-notes. We believed in the optimism of our ministers who repeated in the Chamber and in the Senate: "Germany shall pay!"

The facts in no way correspond to this expectation. What have we received from Germany? A few payments in kind, the most important of which were irregular deliveries of coal (obtained only through the repeated threat of immediate sanctions), the partial refunding of expenses of occupation by the army of the Rhine, and that is about all. Not a cent has been paid by the German Reich, either for the reestablishment of our liberated provinces or for the payment of soldiers' pensions. The French Treasury has been obliged to assume the part of

Germany's banker to face the urgent and indispensable expenses of reconstruction. At the end of 1921 the sums already advanced in this way were calculated to have reached about 70,000 millions and the total expense made necessary by the reparations and pensions, 170,000 millions. The balance of our finances is thus seriously endangered through our debtor's insolvency. Alarming questions are therefore set before us. Shall we ever be reimbursed for the millions advanced. With what money shall we be able to continue the unfinished work of the reparations? How shall we be able to face the growing charges which are incumbent on us on that account and which will weigh heavily on the French budget and on the tax payers if Germany persists in evading her obligations?

The future becomes more and more uncertain. Already we are deprived of all hope of being paid *in full* by Germany. The Reparation Commission, after long discussion, fixed the total amount of damages owed by Germany at 132,000 million gold marks. Out of this the agreements of Spa grant France a share of 52 per cent, that is, a little over 67,000 million gold marks. Thus, even supposing Germany acquits her debt to the last cent, a large part of the burden of the 170,000 millions necessitated by the reparations and pensions will be left on our own shoulders.

But there is no likelihood of Germany's ever paying even that sum, for many reasons.

First, we observe, that either through sheer inability or through ill will—we refrain from deciding which of the two explanations is the more likely—Germany has always opposed an obstinate and, up to the present, an almost successful resistance to the claims and to the injunctions of the Reparation Commission. Whether it is a question of coal, cattle or coke, there is constant delay and failure to pay against which the Commission is obliged to protest again and again. When it is a question of money, the struggle is still more determined. The Germans resisted when they were asked for the 20,000 million gold marks due on account in bonds of May 1, 1921. They resisted instead of fulfilling obligations of payment imposed upon them on May 5, 1921, and accepted by them May 11, "unconditionally and unreservedly." As early as December, 1921, Germany declared that she was incapable of meeting the two first payments of 1922, that she foresaw similar failures in the future and claimed a moratorium about which negotiations were opened and are still going on at the present time (October, 1922). The Germans started a dispute in July, 1922, about the question of the payment of private debts and asked for a moratorium for the payments stipulated in the agreement of June 10, 1921. They have protested obstinately and persistently against the guarantees demanded of them, such as the transfer of gold deposits to a city on the left bank of the Rhine, financial reforms, the surrender of "productive guarantees" etc. Their resistance can be broken only by repeatedly sending ultimatums and by threatening sanctions. Then they yield for form's sake and fall back a few steps to a new position, where a little later they resume the struggle.

Is there any hope that by dint of patience, energy and persistence, the payment of the reparations may be extorted from them? Possibly, if it is recognized that they are faithless debtors, who systematically obstruct the execution of engagements signed by themselves, whose bankruptcy is voluntary and fraudulent and whom threats and penalties can therefore bring to terms. In this case, if the victorious Entente remains unanimous in demanding the fulfilment of the Treaty imposed on the vanquished, probably Germany will eventually give way and comply. Only we are bound to state the fact that in England and America many have ceased to believe—rightly or wrongly is not for me to decide here—that Germany's failure to pay is mere war tactics. They now believe that the reparations demanded of her are really beyond her capacity and consequently they adopt a very different attitude towards Germany from our own. We have characterized above the evolution which has taken place in this respect, among the English particularly; many consider that the exaggeration of the demands made upon Germany to secure the reparations explains the protracted universal crisis. Therefore they lavish upon us counsels of moderation. "Let the French," their financiers say, "be assured that the English people have nothing but the most kindly feelings towards them, and if it is opposed to the policy of demanding from Germany more than she can reasonably pay, it is because the English stand for justice. They feel sure that this regrettable policy will destroy not only the equilibrium of Germany but also that of the whole Continent, and will eventually lead France and Great Britain to ruin. Therefore the payments demanded must be reduced to reasonable and admissible amounts. This is the first thing that must be done."¹ It has become evident that there is now more and more obvious divergence between the French and English judgments of the attitude of Germany towards the question of the reparations. German resistance is supported by our own Allies; they deem it at least partially justified; they strive to shield the Germans from too severe sanctions; they thwart our policy of coercion. The reduction of the reparations, demanded by Germany, is thus virtually granted by the English. We can not hide from ourselves that, in order to carry out our whole program of reparations, we should have not only to subdue German ill will but to override an English opposition which supports our adversaries and impedes our action.

It is, moreover, already certain that Germany will obtain a considerable reduction of the amount of her debt when we proceed to the general adjustment of the War debts between the Allies which is at present foremost in the thoughts of all the European rulers.

The amount of these debts can be summed up thus: 1. France owes Great Britain $14\frac{3}{4}$ billion gold francs, and the United States $12\frac{1}{2}$ billions. On the other hand, there are 9 billions due her from several Allied states. 2. England owes the United States 20 billion gold francs and there are 42 and a half billions due her

¹Sir George Paish, in an article in the *Contemporary Review* quoted by Germain Martin: "The Reparations," p. 119.

from several Allied states. 3. The United States do not owe anybody but are the creditors of the states of the Entente for 50½ billion gold francs.

How is the settlement of this intricate situation regarded and how is such settlement connected with the problem of the reparations? The scheme presented by Sir Basil Blackett to Mr. Lloyd George and apparently recommended by him to the French Government at the time of the negotiations of Genoa clearly shows the solution towards which we are tending.

Sir Basil Blackett proposed to cancel all the mutual debts of the Allies, which he estimates at 65 billion gold marks, and to reduce the German debt by an equivalent sum, for which no payment would be demanded from Germany as long as the Allied creditors did not claim anything from the Allied debtors. By this means, the German debt, fixed by the agreement of London at 132 billion gold marks and reduced to 110 billions by the payments already made by Germany, would be diminished by 65 billions more and consequently brought down to 45 billion gold marks. We should thus be faced by a grievous dilemma. We might accept this arrangement, in which event we should at the outside receive only some 30 billion gold francs toward the 170 billions necessary for reparations; or we might decline it, in which case we should remain free to press the Germans and try to get something more from them. If we made the latter decision, however, we were warned that it would be at our own risk, that no one would accept any responsibility for the consequences that might arise from such action, and we were also warned that the interest on some 27 billion gold francs, which we owed our Anglo-Saxon creditors, would be claimed from us.

To induce us to agree to this evidently very disadvantageous settlement, serious practical motives can be urged. In view of the bankruptcy of Germany, who declares herself unable to make the payments arranged for at Cannes and who asks delay, and in view of the very critical financial situation of France, who is in immediate need of money to balance her budget and achieve the work of the reparations, but one possible expedient is conceivable; that is, a loan, nominally international, but in fact American, for America alone has the necessary funds in gold to manage an operation of such magnitude. This loan would enable Germany to make an arrangement with France to secure for herself a respite of some duration. She would make use of this time to reestablish her finances, balance her budget, stabilize the mark and put her industry in order, so as to be able, at the end of the respite, to resume her payments. Now we have seen already¹ that there is a fundamental objection to any combination of this kind at the present time. American business men indeed think that under the present conditions no credit can be allowed Germany; if the money is to be sunk into the "bottomless pit" of the reparations it is useless to lend her a cent. On June 10, 1922, the report of the Bankers' Committee officially stated the impossibility of allowing Germany foreign credits as long as the German payments were not reduced. It would only be possible to help her when the amount of the reparations was brought

¹ *Ante*, p. 84.

down to a "reasonable" sum, that is to say, to an amount accepted by France and also acknowledged by Germany as possible for her to pay. The Blackett transaction or any similar one would have precisely the advantage, by connecting the settlement of the mutual debts of the Allies with the reduction of the German reparations, of offering a compromise acceptable to both parties in return for certain sacrifices and of paving the way for an American loan from which everyone expects the recovery of Europe.

This solution of course has not yet been accepted. The Americans provisionally refuse to cancel the debts due them, either because they want to use these sums to settle War pensions, or because they intend to use the debts as a weapon to impose a reduction of armaments on their European debtors—and particularly on France, who has become suspected of imperialism. The English, in their turn, have warned their Allies that they would be obliged to claim from them payments equivalent to those demanded from England by the United States. The question is still in suspense. But as there is no other way out of the present crisis, everybody feels sure that in the end a form of compromise will be found in the direction indicated by the Blackett scheme. Therefore we must look upon a new reduction of the German debt, implied in the remitting of our War debts to England and America, almost as a certainty.

This reduction might even go beyond the proportions indicated by Blackett's proposal. Germany declares that for the time being she is unable to pay anything at all; she is in a fair way to obtain a moratorium. No one can say when, nor under what conditions, she will resume her payments. The English forecasts are rather pessimistic in this respect. Mr. Keynes, for instance, stated in a speech delivered in August in the Economic Congress of Hamburg that a complete moratorium ought to be granted the Germans till the end of 1923, that their debt ought to be reduced to 40 billion gold marks payable in 1930, and that they ought to be compelled from 1924 onward to make yearly payments on account of at least one billion, to be credited to that amount. The German ideas in this respect are naturally even more discouraging. The banker Urbig declared in a speech delivered before the Congress of German Industry and Commerce (September 15, 1922), that, freed from foreign occupation and beginning from one to five years hence, Germany could make an annual payment of one and a quarter billion gold marks which might serve as a pledge for a loan of 20 billion gold marks. We see to what a low figure the reparations due to France would be reduced by this hypothesis!

THE COLLAPSE OF THE MARK AND ITS CONSEQUENCES

German bankruptcy brings France face to face with a most critical situation; we shall shortly have to take serious steps. In order to obtain a full knowledge of the situation, it is necessary to realize as exactly as possible what this bankruptcy means. Is it real or feigned? Are we in the presence of a breakdown due to the enormous burdens that defeat in the War and the stipulations of Versailles

imposed on Germany or do we face a fraudulent bankruptcy deliberately organized by a dishonest debtor in order to frustrate his creditor? Evidently, according as we incline towards the first or the second alternative, we shall be tempted to prove more severe or more yielding, to use more strictly the means of compulsion at our disposal or to discuss more patiently the terms of a reasonable settlement. Let us therefore try to see how this problem presents itself to the French.

First, it is beyond question that the collapse of the mark has assumed the proportions of a catastrophe for Germany. It has become the main fact which dominates the economic situation of the country. The dollar which, before the War, was worth about 4 marks, 20 pfennigs, which in September, 1921, reached an average of 105 and in December an average of 192, rose afterwards to a giddy height. On June 1, 1922, it was worth 272 marks; on July 1, 401; on the 31st, 655; at the beginning of August it was over 800; on the 16th it ranged from 820 to 1,040; on the 24th it leaped above 2,000, reaching in the following days about 2,400 and finally closing at the end of the month at about 1,500; in September it fluctuated around 1,400 but resumed its rise towards the end of the month, leaping in the space of a fortnight to 3,000 in the first ten days of October, and rising above 9,000 in the first ten days of November. The mark, which at the beginning of September was worth $\frac{1}{311}$ of its prewar value, had gone down to $\frac{1}{1078}$ of a gold mark.

The reaction of this depreciation of the national money on German life is formidable. The fall of the mark has had as a corollary a fantastic rise in prices. If we refer to the table of wholesale prices established by the *Frankfurter Zeitung* for 98 ordinary products, we see that if we designate the prewar standard as 100, it rises in January, 1920, to 1,997; in January, 1921, to 2,153; in January, 1922, to 4,282; in July to 9,267; in September to 29,675; in October to 44,089; in November to 94,492. Therefore, the wholesale prices have gone up in the proportion of 1 to 945. They doubled from January to July, and increased tenfold from July to November. The retail prices do not go up as rapidly, but of necessity they gradually follow the rising movement of the wholesale prices so that the cost of living grows at an exorbitant rate. The table of indexes established for the ten most ordinary products shows that, from 1914 to September, 1922, the standard has passed from 100 to 36,057 for the wholesale prices and for the retail prices from 100 to 21,761; so that the cost of living has grown in the proportion of 1 to 217! Statistics show that on an average wholesale prices and especially retail prices remain below the foreign rate of exchange and that the mark consequently still has a greater buying power at home than abroad. However, the home prices tend more and more towards the foreign value of goods. During the August crisis, particularly, the traders and manufacturers began to adjust their prices to the daily quotation of the dollar and even sometimes to a still higher level, so that the steel syndicate was seen to fix prices which perceptibly anticipated each depreciation of the mark and cotton manufacturers sold their products 400 times dearer than before the War at a time when the mark still retained $\frac{1}{1078}$ of its value.

The mark has not only depreciated; at the same time it has become more unstable. It suffers considerable fluctuation not only from month to month or from week to week but even from day to day at the Exchange; during certain critical days in August, the daily fluctuation sometimes exceeded 500 points!

Under these conditions there has taken place in the German public a radical overthrow of elementary economic ideas. In the popular mind money, in Germany the mark, had previously been universally considered as a constant and stable element used to measure the variations of other less stable values, goods, real estate, securities, etc. Now, with the rapid fluctuations of the mark, this notion of the stable value of money has been suddenly shaken. Those who used to save marks, intending to buy clothes or enlarge a factory, do not now know whether the money saved would not shortly be depreciated in unforeseen proportions. It has come to be generally believed that foreign coins and money, goods, material objects, industrial shares (which represent part of the property of a factory) constitute something more stable and safer than the present monetary currency. Prudent people, those who tried to provide against the fluctuations of the mark, have therefore bought dollars, pounds sterling, florins and francs to provide for themselves a reserve in case of need; and they have thus increased the scarcity of money which in its turn caused an indefinite rise. On the other hand, the "avoidance of the mark" resulted in the demand for goods; the public, seized with panic, rushed to the stores and bought anything in order to get rid of marks. The traders found themselves obliged to close their shops to avoid being plundered or else they opened but for a few hours in the day. In certain towns they stopped selling altogether when the dollar was over 2,000. At the fairs of Königsberg and Leipzig, exhibitors were seen who preferred to keep their stocks and refused to sell them. For foreigners, particularly in the occupied districts and in the country near the frontier, the acquisition of German goods has become a growing temptation in proportion to the fall of the mark, and the "selling out of Germany" has continued on a large scale in spite of the exorbitant prices demanded from foreign customers and of the severity of customs duties. The capitalists who have German money—it is estimated that foreigners possess at least 40 billion paper marks, hold a considerable amount of paper securities and possess huge banking credits—have contributed also to the collapse of the mark by buying at any price coins, merchandise, houses, goods and industrial shares, fearing a new fall; the peril of being submerged by foreign capital (*Überfremdung*) is more threatening than ever and many companies have tried to provide against it by issuing privileged shares with plural votes to obviate the risk of being subjected to the control of foreign countries. One of the gravest symptoms of the depreciation of the mark is that it is gradually being replaced in home trade by foreign money. At the fair of Leipzig some of the exhibitors priced their goods, even for native buyers, in dollars and pounds sterling, and their example is followed by many merchants and manufacturers in spite of the exhortations of the press, of the authorities and of experts who are striving to explain the danger of such pessimism.

For some time the fall of the mark has been accompanied by another phenomenon which causes increasing anxiety among business men and economists; that is the scarcity of money and the narrowing of credit. The rise in prices and wages inevitably results among merchants and manufacturers in an increasing need of credit. In order to pay for labor, for fuel, for machines, and above all for raw material imported from abroad they need an enormous floating capital. The *Frankfurter Zeitung* estimated that a modern mill capable of grinding 15,000 tons of grain a month, needed 1,100 million marks at the end of August for its monthly consumption of corn alone!

This has caused general embarrassment. Never has inflation reached such proportions. On June 30, 1922, paper currency (bank notes and paper issued by loan banks) reached nearly 180 billions (as compared with 122 on December 31, 1921); on July 31 it went up 22 billions thus reaching 202 billions; increasing to 266 billions on September 7 and to 483½ billions on October 31. Since March the Reich printing presses have been hardly sufficient to issue the necessary number of notes. At the beginning of July, a strike of twelve days nearly caused a monetary catastrophe. Since September 15 the presses have produced 3, then 4 and finally 8 billion marks per day. At the same time the debt of the Reich has risen, from 264 billions (December 31, 1921) to nearly 306 billions on July 31, to 451 on September 30, and to 604 on October 31, 1922.

Now, despite this flood of paper money, money is scarce. The manufacturers and traders, who see the power of absorption of the home market gradually lessening, their risks increasing in enormous proportions as a consequence of the formidable rise in the cost of foreign raw materials, all their expenses mounting inordinately, the rate of discount rising and the banks growing more and more loath to advance money, find themselves faced by a crisis the consequences of which become increasingly evident. The curtailment of German capital becomes manifest. Producers are beginning to feel obliged to sell their stocks at disadvantageous prices. Business men wonder more and more how it will be possible to keep in good working order, among growing difficulties, the colossal German industrial plant and to procure the increasingly enormous floating capital which is needed for the regular working of this plant.

The collapse of the mark entails a complete derangement of public finances. Despite Erzberger's and later Wirth's attempts at increasing the resources of Germany, the budgets have growing deficits: that of 1919-20 had a deficit of 67 billion marks, that of 1920-21, a deficit of 86.8 billions; that of 1921-22, 105.6 billion marks, that of 1922-23 for the first six months only, over 200 billion marks. At the beginning of 1922 the situation appeared hopeless. From that time on no one imagined that the newly voted taxes would restore the balance. Everyone foresaw that, because of the steady increase in the cost of living, the 1,400,000 officials whose salaries swallowed up 44 billions, that is, more than half the total budget of the Reich, were going to claim increased salaries which would overthrow the precarious balance of the budget. No one saw how Germany could pay the

Entente in gold or coin, even if the amounts were reduced to 60 millions per month, or 720 millions per annum. Nor did anyone see how she could make the payments in kind to the amount of 1,450 million gold marks stipulated in the agreements of Cannes, since these 1,450 millions were to be paid back by the state to reimburse German industry; for at the time when these sums were fixed, they were worth $72\frac{1}{2}$ billion paper marks; at the beginning of 1922, they were worth about 100 billions and everyone felt it was absolutely impossible to throw on the market such masses of paper money without hastening the collapse of the mark. As the mark since then has fallen to $\frac{1}{200}$ of its gold value, the gravity of the situation is evident. At that rate, 120 billion paper marks would be needed *every month* to fulfil the promises of Cannes, and about 3,000 billions a year to make the payments in kind. Besides, even if the Germans stopped altogether paying anything abroad, the rise in the cost of living would alone suffice to overthrow the balance of the budget; this rise has indeed necessitated an increase of 38 per cent of all wages and salaries which, for the Reich and states, causes an additional expense of 110 billions.

Thus the financial disorder is constantly increasing. The records of the receipts of the Reich indeed show an *apparently* prosperous situation. In July, 1922, for instance, the receipts reached no less than $21\frac{1}{2}$ billions, that is an increase of 16 billions over the corresponding month of the preceding year, and during the first four months of the financial year (April to July) the Treasury received over 70 billions, that is, 64.5 per cent of the budget for the *whole year*. But we must consider that the dollar, in July, 1921, was worth between 55 and 70 marks, while it was worth between 400 and 670 in July, 1922; so that the value of the mark abroad in 1922 represented about one-eighth of its value in 1921! This gives us an idea of the enormous actual diminution of the revenue from the taxes as compared with the apparent increase registered by statistics.

GERMAN POVERTY

Without doubt life in Germany under such conditions has become difficult and on the whole wretched.

This was true in the highest degree in the years which immediately followed the breakdown after the War. As a consequence of the formidable nervous tension created by the War, of the privations occasioned by the blockade, of the tremendous emotion caused by the final defeat, of the difficulties offered by the work of economic restoration there prevailed in Germany a spirit of depression and moral unbalance which all observers noted. Immediately after the Revolution it was acknowledged that the German people were unable to rise in a last fit of energy to struggle against the "peace of annihilation" which the press of the Right furiously denounced. Germany appeared worn to shreds, physically, materially and morally, and incapable not only of resuming the War but even of continuing to live. Nothing was left in the shops, no raw materials in the factories, nor anything in the wills and in the brains of the people. There was

only a mere amorphous mass which yielded unresistingly. "It is something indescribable and unimaginable," wrote a pessimistic psychologist, "a nameless chaos, where anarchy, lust, ambition, servility, recklessness and despair are sadly blended, nor is it possible to say what will come out of it." The apathetic state into which the nation had fallen was very obvious in the decisive days when the question was presented of accepting or rejecting the Treaty of Versailles, the extreme rigor of which was widely proclaimed in the press. The nation remained nerveless. "The people," Maximilian Harden wrote at that time, "are silent. With empty stomachs they go to their work or crowd to the pleasures accessible to them. They ardently wish for peace. They know that Germany must take upon herself all the burdens she can bear. Riot and agitation are carried on by a small portion of the population." And Count Westarp who, however, passionately combated the ratification of the Treaty admitted that the German people were "wrapping themselves in a mantle of indifference." None of those irresistible currents of national will which sometimes manifest themselves in the history of peoples could be seen, nothing which in the slightest degree resembled the great movement of 1813. The city of Berlin so scandalously ignored the gravity of the hour that Minister Noske had to forbid all kinds of entertainments. In spite of the most violent Nationalist exhortations, the masses were not in a state to react. The German organism proved weak, exhausted, worn out.

Examine the official publications of that time, particularly the report of the Spa conference by the Minister for Public Supplies and you will find documentary statements which are eloquent. The German population as a whole continued to suffer from undernourishment, which state of semi-famine had been going on for years. This scarcity of food was due first to the lessening of agricultural production, explained mainly by the impossibility to procure artificial manure, phosphates and provender in sufficient quantities; it was due also to the inadequate financial resources which did not permit buying abroad the considerable quantities of food needed; lastly, it was due to the loss suffered by Germany of some of the most fertile districts of her territory, particularly on her eastern frontier. The fact that German productiveness was growing less was shown by significant figures. The production per hectare of corn, fodder, potatoes and sugar-beets had diminished by 21, by 25, by 31 and by 30 per cent respectively, so that from 1913 to 1918 the harvest of corn for instance had fallen from 13.3 millions of tons to 8.5, that of potatoes from 40.3 millions of tons to 21.4. At the same time there was a considerable lessening of the number of cattle; the herd of swine fell from 18½ million heads to 11½, which means a loss of 41 per cent; and this deficit affected the population the more as pork made up 65 per cent of the consumption of meat and fat in Germany. Moreover, not only the number of cattle had fallen but their weight as well, which had become 30 to 50 per cent less; there was an even greater proportional diminution of the quantity of milk from the cows; for a milch cow it fell from 700 liters twice a year in 1913 to 200 once a year in 1919.

The result of this situation was that Germany had to keep up the War rations and even to measure the rations so strictly that people received *less than half* of what would be necessary to secure for an adult the normal number of calories requisite for his nutrition. We must add that the quality of the food was as unsatisfactory as its quantity. Flour for instance had 80 per cent of substitutes added to it. The prices rose in such proportion that in spite of the increase in wages a growing number of the population was unable to buy the supply to which their food tickets entitled them. The consequences of this scarcity were disastrous to hygiene and the birthrate. For a group of 35 large towns representing 25 million inhabitants altogether, the number of children born alive fell from 633,000 (1913) to 459,000 (1919). In Prussia the number of deaths of children from one to five years of age was 53,000 in 1914 and 67,000 in 1918, although the birth rate was 40 per cent less; the death rate among all young people at school, that is from 5 to 15 years of age was 25,000 in 1914 and 50,000 in 1918, and is explained by the shortage of albuminous and lacteous food at that critical age. The deaths caused by tuberculosis increased at the rate of 13.4 per 10,000, rising from 13.7 in 1913 to 27.1 in 1918. Everywhere also was observed a perceptible diminution in capacity for work.

It will doubtless be said that these figures have been systematically exaggerated by the authorities of the Reich for political ends. But the information conveyed by our own observers often largely confirms the German data. The *Revue de Paris*, for instance, published June 15, 1920, an authentic article on the material and moral condition of Germany. The figures which the author gives are in every respect consistent with the situation as revealed by German official statistics. He described Germany as spent, mentally exhausted, ruined in body and mind and fallen morally. There was no longer respect for authority, for administrative integrity or for the strict discipline of which the Germans used to boast of old; all respect for law had disappeared in the country; in the towns crime paraded with the most impudent cynicism; everywhere the workman was sluggish at his work, went on strike at the least pretext or strove to reduce the number of working hours; everywhere inordinate frivolity was in evidence, which traditionally precedes or follows great catastrophes. Obviously the German people were a prey to a well-known mental and nervous disorder. They had lost their nervous balance; their self-control failed them. Their strained nerves reacted with excess to all impressions, they had become incapable of the effort of inhibition necessary to prevent untimely reflexes. They were wavering between violence and enervation. They had crises of fury when they made use of fists or bombs or machine guns with incredible frenzy, in insurrection or as measures of repression. At other times they fell into a kind of despairing scepticism and dull depression and remained insensible to the exhortations of their leaders as well as to the appeals of the press, indifferent to the most vital political questions, incapable of any virile act of decision.

Certainly, since 1920, the conditions of living have become considerably

better in Germany. The Germans have again had enough to eat or nearly enough. Outwardly, order has gradually been restored; public services work normally; material traces of the war and of the Revolution are erased; the railways and urban means of conveyance have been repaired; the population has resumed its accustomed work. A foreigner who travels through Germany has not the least impression of being in a country where anarchy is lurking. And yet the collapse of the mark and the revolution in prices foster a state of profound and continued uneasiness, which, should the situation grow worse, may create a new outburst and cause renewed revolutionary convulsions.

In the first place, assurance of the material life of the nation is still lacking. It has, of course, been possible to suppress almost completely the measures of constraint and rationing taken during the War (*Zwangswirtschaft*), the unpopularity of which have continually been increasing in all classes of the nation. But the return to an uncontrolled régime has not brought back opulence to Germany. Food remains scarce and is becoming more and more dear. Anxiety about food still distresses the population, especially in the towns. At the beginning of 1922 it was acknowledged that, in Berlin, hardly 10 per cent of the population reached the minimum standard of living, and that all the rest suffered more or less from underfeeding; in the eastern districts particularly poverty was extreme and caused a marked outbreak of the characteristic maladies caused by malnutrition, tuberculosis, typhus, etc. The search for provisions remained for all housewives a haunting care, and caused considerable fatigue and waste of time under these conditions. The recent collapse of the mark has caused deep anxiety in all classes. We know that Germany is *obliged* to import considerable quantities of food, particularly grain, in order to feed her population. Importation of agricultural products, on account of the depreciation of the German exchange, demands considerable sums: for the month of July alone, they were 27.65 billions of marks. How will Germany be able to find the money necessary to provide food? The consumers learned about the middle of September that they were threatened with seeing the price of bread increase fourfold shortly. Chancellor Wirth, in his speech delivered on September 14, in the Congress of German Industry and Commerce, strongly insisted on the imminence of the danger, beseeching all parties to unite in the "struggle against famine" and launching the password: "Provide bread first, and then reparations!" Public emotion was intense, especially among the workmen. The leaders of the Syndicates of all opinions offered to the government a series of measures—such as the reduction of importations of luxuries, prohibition of the manufacture of brandies, liquors, chocolate and strong beer, the control of speculation in currency, the increasing of export taxes—which were calculated, in their opinion, to combat the rise in prices and to secure food for the people. These measures, which would at least partially restore the *Zwangswirtschaft*, did not fail to arouse anxiety and objections in a large part of the Bourgeois press. But everyone felt the necessity of energetic action to secure daily bread for the nation and to provide against the most dangerous consequences of

the fall of the mark, which, as an obstacle to importation, was almost equivalent to a renewed blockade.

The anxiety as regards food and also clothing, which affects the whole population, is, moreover, made worse by the acute housing crisis. There is at the present time an annual shortage of about 250,000 dwellings and as the most modest house costs at least a million marks it is impossible to erect more. Last autumn a scheme was worked out which included building 200,000 houses, but hardly 20,000 could be erected with the available funds and thousands in the process of building had to be given up or interrupted for want of money. At present, the newspapers state that one German family out of ten is homeless, which greatly increases the general unrest.

The result of these facts is that a heavy weight rests upon all German life. One can not help perceiving this as soon as one comes into direct contact with it. A dull anxiety is very evident among the people one converses with; they all feel the basic instability of the present situation and a feverish and depressing dread of the immediate future.

Assuredly, the various classes of the population suffer unequally. The agriculturalists, who have made considerable profits, suffer least. The working classes, who have plenty of work and are hardly ever out of work, nearly succeed in holding their ground. In April, 1922, at the time when on account of the rise in prices the cost of living was 23.6 times higher than in 1914, a journeyman earned 34.6 times, and a skilled workman 22.7 times, as much as before the War. The condition of the lower middle class is harder, the salaries of subordinate clerks being only 14 times larger than in 1914; this proportion is lower (10.5) for superior employees, whose salaries, formerly seven times that of skilled workmen, are now not quite twice that of mere laborers. Social disaster has become prevalent among the richer classes, who have seen acquired wealth, particularly fixed incomes, go down to nearly nothing in their hands; they have found themselves turned into the proletariat in a day and now they drag on a miserable existence, made up of privations and self-denial of all kinds. The situation of university students is particularly precarious, many of them being obliged to work as laborers or clerks in order to earn their living, and having only their free hours in which to study. The cost of an education has become such that the sons of the middle class, who used to spend several years at the university and enter liberal professions, find themselves unable to pursue their studies. The higher middle class themselves are in straitened circumstances. At the beginning of 1922 I was told that six generals were earning their living in Berlin as clerks in a bank. One of the best paid professors in the University of Berlin told me that his income had become five times, but his expense thirty times, larger and that his way of living had had to be reduced in similar proportion. The middle classes still keep up in appearance because they possess an establishment, clothes and linen which they had before the War; but they are living on their capital which they are unable to renew and they feel it a calamity to have to pay for a new suit, to buy a shirt or

to have a tooth filled. Sometimes, in order to exist, they are reduced to selling their jewels, their trinkets, their furniture or their rare books. To go to housekeeping is, for newly married couples, a desperate enterprise. The old, cultured Bourgeoisie see with anger, envy or scorn the very limited class of the "nouveaux riches" (it is estimated that they number less than 100,000 persons) who are living on speculation, contriving to turn to their advantage the general misery, pocketing scandalous profits and gradually gathering in their hands the greatest part of the resources of Germany, escaping from taxation and accumulating reserves abroad.

In spite of these very perceptible differences in the condition of existence, the same restlessness is everywhere apparent. All live from hand to mouth striving to find at each step a solution for pressing difficulties. They manage to adapt themselves to conditions which vary from one hour to the next with the rate of the mark. They struggle constantly to adapt wages to the inordinate rise in prices and to find extra occupations which will help balance the budget in which new gaps are revealed every day. The sense of thrift has disappeared: the savings banks, which in 1919 still gathered 6.2 billion marks, only received 4.5 billion in 1920 and 2.6 billion in 1921. What is the use of saving, since the bank note put aside today may be worth nothing tomorrow! Everyone gambles, speculates, spends his daily earnings. The feeling of the security and stability of existence has entirely disappeared. Everyone is more or less vaguely aware that the new Germany, to use Rathenau's phrase, "has descended from the small circle of the oligarchy of nations into the much larger circle of the proletariat of nations," that her wanderings are leading her "not to paradise but to the land of toil which will long be the country of poverty and wretched civilization where superior culture will be seriously threatened."

PROSPERITY OF GERMAN INDUSTRY

However alarming the present situation may be, the Germans are still far from despairing. General opinion does not for a minute accept the comparison between Germany and Austria which was often made in the press at the time of the collapse of the mark. Doubtless the mark may follow the crown in its headlong fall. But a fundamental difference exists between the two countries. The Austria of our day is not likely to live. It is a monster with an enormous head and a dwarf's body, unable to subsist by its own means. Germany, on the contrary, is able to provide for her own wants; she remains, in spite of the mutilations undergone, a living economic organism, sound and destined to prosper. The economic crisis which she is going through is due to transient causes; it will stop as soon as the Entente gives up its policy of exactions and coercion. The Germans are aware of their strength and find that their enemies themselves believe in it. The countless speculators who have bought marks or German securities have been betting on the rapid economic restoration of Germany; and to this day, the fear of a too quick and too complete recovery of Germany still obsesses the mind of her victors.

Germany, after her defeat, very well understood that, to safeguard the future, her power of production must be maintained. Before the War she lived on her industry and export trade. It was necessary that she should establish for herself in the new order a similar place by her economic activity. That was a question of life and death for her. If she did not succeed it meant irretrievable ruin, through famine or emigration.

It was manifest that in spite of her defeat she preserved excellent opportunities. Her industrial plant might have been worn during the War, but it remained essentially whole and could be rapidly put into working order and adapted for peace production. During the War she had given signal proofs of her faculties of organization; she possessed an élite of leaders of exceptional capacity; she had at her disposal a strongly constituted and wisely organized army of disciplined scientists and technicians, skilled workmen and laborers; during the War she had made considerable progress in concentration. If she knew how to make the best of these advantages she ought to recover rapidly.

It is certain that the Germans have made a tremendous effort and that the results of it are clearly discernible. German workmen, overtaxed during the War and submitted to severe privations on account of the blockade, now, after a short period of depression, are recovering their strength and capacity for work. The heads of enterprises have been able to get together considerable sums to repair their machines, enlarge their factories, create new establishments and transform war industries. They have constituted abroad special resources safe from the claims of the Treasury and free from the fluctuations of German exchange. We have no certain information on the amount of these available funds and the estimates given by specialists vary considerably. Keynes reckons that they are not above two billion gold marks; Secretary of State Bergmann admitted that they amounted to 250 million pounds sterling; Rathenau (according to the correspondent of the *Daily Mail*) went so far as to say 400 million; the *Daily Telegraph* increased this number to 1,000 million. However that may be, German industry has at its disposal a floating capital and reserves in foreign money which enable it to procure raw materials whatever the rate of the mark may be. The bigger business men have known how to concentrate in their hands an increasing portion of German capital. In particular they almost alone have profited by the increased value of German securities. It is reckoned that for the year 1921 alone this value reached about 250 billion paper marks, 200 of which went to enlarge the capital of the new aristocracy of wealth. They were skilful enough to obtain a considerable indirect help from the German state. It was out of the state's budget that sums were paid for the reestablishment of the means of communication and of the extension of the river lines; it bore the loss caused by railway rates insufficient to cover the expense of operation; it kept the price of bread under the normal rate to afford cheap food for the working classes, thus reducing the cost of labor. Nothing was spared to allow the great German factory system to work under the most favorable conditions.

This system can now be considered satisfactory. After the War German production had greatly decreased. The machines and the men were worn out, the shortened work day (the eight hour day) the revolutionary agitation, the frequent strikes and the general weariness had caused an important decrease of output. Until 1919 the total of production remained, in nearly all the branches of national activity, much inferior to that of the time of peace. The production of coal, for instance, which was 176 million tons in 1913 (not counting the Saar and Lorraine) had come down to 107 millions. Since that time it has been gradually recovering and the statistics which summarize the results in 1921¹ shows that they are gradually coming back to the normal rate. The number of workmen has perceptibly increased. While the state and towns now support an army of officials to take charge of registration or control who are withdrawn from the industrial world and whose activity produces practically no economic result, the loss caused by these unproductive individuals is largely made up by a mass of new workers, soldiers dismissed from the service, shareholders and retired clerks out of a position or ruined by the breakdown of the mark, and women, particularly, who have flocked to industrial employment by the millions. Even supposing that labor had remained less productive on the average than before the War, this qualitative diminution is more than balanced by the quantitative increase. Neither has the eight hour day caused the loss that might have been feared, because as a matter of fact the workmen always make it longer by extra hours, either openly or secretly. We can therefore affirm that Germany is producing intensively. Some statistics published by the *Frankfurter Zeitung* seem even to show that the production of labor is in a number of cases equal or superior to that of prewar times. It is then beyond question that German production is in a fair way to increase rapidly. What is at present its exact standard as compared with that of prewar times? The statistics of production are insufficient to enable us to determine it with scientific precision. It is certainly inaccurate to pretend that German wealth and production have increased since 1914. But one is probably not far wrong in admitting that Ger-

¹ The *Frankfurter Zeitung* published on September 8, 1922, a comparative table of German production from 1913 to 1921, for several important articles:

Articles	Thousands of Tons	
	1913	1921
Coal (excluding Saar and Alsace Lorraine).....	176,892	136,210
Lignite.....	87,233	123,011
Raw sugar.....	2,241	1,268
Potatoes.....	44,019	26,152
Wheat.....	4,061	2,934
Rye.....	10,220	6,799
Oats.....	8,719	5,005
Horses per head.....	3,835,893	3,683,343
Cattle " ".....	18,570,591	16,839,559
Pigs " ".....	22,668,789	15,875,636
Azote, pure.....	110	290
Potash.....	13,306	9,241
Surplus of imported cotton.....	350	250
Iron ore.....	7,439	6,362
Fisheries.....	184	182
Licenses (number of permits).....	49,532	56,721
Railways (tons per kilometer).....	61,744	50,570
Traffic of the harbor of Hamburg (in tonnage).....	12,900	9,400

man industry is now working at a rate varying between 70 per cent and 90 per cent of its prewar output. It is also likely that it will shortly resume its full capacity and it is not absurd to imagine that in a few years it may reach an output of perhaps 150 per cent.

Moreover, it is a known fact that the collapse of the mark, far from hampering the German industrial impetus, has, at least to a certain extent, aided it. It has allowed Germany to sell cheap. The depreciation of the mark doubtless entailed a corresponding rise in prices, but the fall has always been more rapid than the rise, so that the buying power of the mark has remained higher at home than abroad. If estimated in gold the prices of coal, iron, wood, rents and transportation remained considerably inferior to those in countries with high exchanges. A statistician has estimated that, in November, 1921, for example, when the dollar was worth over 300, in Berlin a good cigar cost 2 pfennigs in gold; an egg, 4 pfennigs; a pint of milk, 6 pfennigs; 100 pounds of coal, 30 pfennigs; a pound of butter, 60 pfennigs; and that a laborer received daily 1 gold mark! At a time when a paper mark was worth under 2 pfennigs gold, in Berlin, it retained a buying power of about 6. The steady depreciation of German exchange therefore allowed the German manufacturers to establish extraordinarily low costs and to sell their manufactured objects abroad at prices below those of the market. Of course this was only a temporary advantage, for home prices had a constant tendency to rise to the level of international prices; manufacturers thus were favored only so far as the successive reductions of the mark ceaselessly broke the balance which tended to establish itself between home and foreign prices. But as, in fact, the mark, except for short periods of respite, has not stopped going down, producers have drawn from this monetary catastrophe a positive profit.

German industry is now going through a period of extraordinary activity. It finds large markets everywhere; at home where German trade has to replenish its stocks, entirely exhausted by the War, where the immediate needs of the consumer are considerable or the tendency to save has weakened and where the collapse of the mark induces the public to invest savings in goods; and abroad, where on account of the low prices of its products, it can export largely in spite of the international crisis. Orders come from all sides, the great periodical fairs, those of Leipzig and Frankfort particularly, meet with growing success. Work is plentiful. While the nations with high exchanges, England, the United States and Switzerland, are experiencing momentous crises of unemployment and are going through a slack period, Germany is able to offer work to her entire population. Unemployment after reaching its maximum in January, 1919 (1,100,000 unemployed) is rapidly decreasing, reaching in 1922 an insignificant figure; in February the estimate was 3 per cent of unemployed men, i.e., about 168,000 men out of work, against 16 per cent in England; yet that figure is one of the highest of the period; it comes down to 1.7 per cent in December, 1921, and 0.6 per cent in July, 1922, while the prewar average was 2.3 per cent. The great German factory system is therefore working at full speed. It shows outward

symptoms of prosperity. It realizes enormous gains, distributes splendid dividends, offers shareholders stock dividends, bonuses, premiums of all sorts; it lays by large sinking funds, devotes great sums to reconstructing and enlarging plants, adds to the machinery and extends its buildings; it obtains from the banks extraordinarily easy credits; industrial securities rise in proportion as the mark goes down. German export trade increases as regards quantity as well as valuation to such a degree that it is a dangerous competitor for the other manufacturing countries; in their turn, the latter are alarmed by the new form of dumping practised by Germany under cover of her depreciated exchange, and they think it wise to take measures to protect their national industries. In brief, German enterprise is going through an exceptionally favorable period and practising a systematic policy of expansion.

Yet German opinion cherishes no great illusions as to the duration of such prosperity. Competent men, the press, the authorities of the Reich themselves, never cease to warn the public that it is but sham, that it implies serious dangers, and that it is bound to end in a crisis, serious in any case and perhaps disastrous. The papers now persistently enumerate all the symptoms which foreshadow an imminent change.

Germany has without doubt, they tell us, succeeded in keeping her working class occupied and fed, but the workmen are in fact living on the *capital* of the national wealth; they have, approximately, maintained their situation only to the prejudice of other classes of the population, especially the middle class and the higher officials whose social decline is now evident; the favorable state of the labor market therefore can not be considered as a sign of prosperity, far from it.

The most magnificent dividends mean nothing, for they are paid in paper marks, the value of which when turned into gold marks is reduced to a minimum. Industrial shares have risen in enormous proportions, but less quickly than the mark has gone down, so that really the industrial capital has undergone a considerable reduction since the War. In 1914, the German limited companies represented a capital of 17.3 billion gold marks which, reckoning an average value of 180 per cent, meant a total value of 31.2 billions in gold. At the beginning of July, 1922, the capital devoted to German shares amounted to almost 75 billions, which at the average rate of 912 per cent means a value of over 683 billions in paper; but this sum, turned into gold marks, only means 6.8 billions, that is, somewhat more than a *fifth* of the value in time of peace. A Dutch statistician has calculated that at the end of August, 1922, an American, theoretically, could have bought the *whole* of the capital shares of all the securities quoted in Berlin for 700 million dollars, a figure inferior by 300 millions to the capital of the most powerful American trust, the steel trust.

The exports have certainly increased; the statistics for 1920-21 (May-April) give a total of 198 million tons, worth about 70 billion paper marks; for 1921-22, 217 million tons worth 140 billions. But if we consider that in 1913

Germany exported $737\frac{1}{2}$ million tons, worth over 10 billion gold marks it appears evident that in spite of the enormous sums of paper marks registered in the statistics, and explained by the depreciation of the mark, the German exports are *very far* from resuming the level of 1913. The Germans consider that on the whole their foreign trade represents not quite a third of what it did in prewar times. We must add that—a particularly grievous symptom—the German trade balance which was almost at par in 1913 (10,100 millions of exports and 10,800 of imports) now shows a large deficit on account of the considerable increase in imports which was settled by a deficit of 4.7 billion gold marks in 1919 and 3 billion in 1920. For the year 1921–22 (June to June) though there was a credit balance in December, January and February, the official statistics finally estimated a deficit of $63\frac{1}{2}$ million tons in quantity and about 20 billion paper marks in value.

Everything shows that the period of economic *expansion* is drawing to an end and is going to be replaced by a period of reconstruction. The dizzy rise of foreign money, of wages, of all prices, especially for industries working with exotic raw materials, now demands available funds which the market can no longer provide. The German factory system, which has been greatly enlarged lately, has more and more difficulty in finding necessary funds to make its inordinately enlarged establishments work at the required pace. Credit is shrinking. The rate of discount of the Reichsbank, which had remained invariably 5 per cent for $7\frac{1}{2}$ years, had to be raised to 6 per cent on July 28, 1922, to 7 per cent on August 28, to 8 per cent on September 22 and to 10 per cent on November 11. The rise in industrial securities has not increased in proportion to the fall of the mark, and on account of the inactivity of the Bourse the difficulty in selling them is great. General impoverishment will unquestionably lessen the capacity of absorption of the home market and consequently cause a stoppage of foreign orders, which in its turn will cause a decrease of production. The possibility of making up for that loss by intensifying the export trade is entirely out of the question. Symptoms of a coming collapse are increasing. The autumn fair of Leipzig has been a disappointment; its commercial results, on account of the enormous prices demanded by the exhibitors, have remained inferior to those of the preceding fairs. The state of the coal market is distressing; an important diminution in the production of the mines compels the Germans to import English coal, and this is becoming impossible on account of the collapse of German exchange. The price of cast iron was on November 25 nearly 2,000 times higher than before the War. A slackening of economic activity is therefore inevitable. Doubtless the state of the market still remains satisfactory on the whole; the factories are sure to have orders for some time to come. But depression is making alarming progress. Numbers of manufacturers are deciding to limit their program of production and to dismiss workmen on account of the prohibitive increase in price of raw materials, the rise in wages and the insufficiency of bank credits. A crisis of reduced production and unemployment, with all the political and social consequences it may entail, appears inevitable.

WHAT DOES GERMAN BANKRUPTCY MEAN?

When we consider the whole situation of Germany as it has just been outlined we are bound to be struck by an apparent paradox, namely the contrast between public economy and private economy in Germany. On the one hand, an entirely depreciated money, a state which openly declares itself bankrupt and claims a moratorium; on the other hand, a strongly constituted industry, which develops constantly and, in spite of the ruin of public finances and of threatening crises, remains virtually uninjured and asserts itself as a dominant power. How are we to interpret this paradox? Two main theories may be considered.

The first, supported by Germany's enemies, has a strong tendency to maintain that the industrial prosperity of Germany is real and to represent German poverty as a fraud, as a trick of the Germans expressly to avoid paying the reparations. Under its extreme form, it considers the collapse of the mark and German bankruptcy to be the result of a definite plan, worked out by the German leaders with the help of financiers and business men who had ascertained that they could in all security (that is without running the risk of a revolution or of Bolshevism) bring about the downfall of the mark which would permit both the reduction of the national obligations and pleading bankruptcy before the Allies. The advocates of this theory believe that such a move could not injure the German manufacturers and financiers who had themselves caused the fall of the mark and made up for their losses by a timely conversion of marks into foreign money and by the profits of speculation on a fall in exchange. It could not very much injure the workmen, whose wages adapt themselves somehow to the cost of living. It has been carried out at the expense of the middle classes and non-workers living on fixed incomes or state securities; this category of citizens, which forms a comparatively small part of the community, was deliberately sacrificed to the general interest of the country and utterly ruined. Therefore the government, with the complicity of the great German industries, has voluntarily worked for the depreciation of the mark. Instead of demanding a loyal effort from the German tax payers and imposing indispensable sacrifices on them, it has balanced its budgets by issuing bank-notes and bonds of the Treasury; it has set up inflation as a system which ruined the mark but favored the development of German export trade; it has spent enormous sums on public works which were in no way urgent, or on lavish subsidies to its citizens; it has artificially maintained the cost of living at a low figure by selling bread at a loss. "Rich Germany" has fraudulently camouflaged herself as a beggar but she is ready to resume her real rôle as soon as she has wearied her creditors and persuaded them that it is useless to pursue the payment of the reparations, definitely lost for them.

The second theory, which is that of the Germans or pro-Germans, stresses German poverty, indignantly rejects all accusation of fraudulent bankruptcy and represents the German leaders as innocent, in order to cast the responsibility of the crisis either upon economic fatalities or on the blind rapacity or destructive

will of the Allies. The fall of the mark and the imminent bankruptcy of the Reich are very naturally explained by the lack of balance which took place in the German organism after the loss of the War and the signing of the Treaty of Versailles. Germany lost 10 per cent of her territory and population; she lost her colonies, lost most of her establishments abroad, lost her merchant fleet. Her foreign securities, which before the War yielded her an income of one billion five hundred million marks, have disappeared. Her exports barely amount to one third of their prewar value. Her trade balance shows a deficit of two to three billion gold marks a year. She has lost a large part of her raw materials (in the mining districts of Saar and Lorraine, in Upper Silesia, and in her colonies) which she is now obliged to import and to pay for with the help of her exports. She has lost an important part of her agricultural population and has been despoiled of her most productive agricultural territories. If one takes all these factors into account, it appears that Germany, who used to save six billion marks every year, now has an annual deficit of one to two billion gold marks. Hence the country is being gradually ruined; it is living on its own substance; it no longer has the means to provide for the wants of its increased population. Under these conditions the reparations stipulated by the Treaty of Versailles and the enormous expenses caused by the occupation of the Rhine Valley and the agencies of Allied control are dealing it a final blow. It is not in a state to bear such burdens and they are inevitably driving it to bankruptcy. Doubtless inflation delays the inevitable crisis; it artificially galvanizes the failing strength, imparts to the nation a deceitful appearance of health. But that is sheer mirage. Rathenau compared the activity of German industry to the agitation of an organism consumed by fever, still struggling against threatening dissolution but exhausting its last reserves and doomed to imminent ruin if not allowed the necessary respite to recruit its strength. He ceaselessly proclaimed that the law of solidarity infallibly binds together all the peoples involved in the complex system of economic exchanges; no member of that vast organism can suffer without its sickness being shared by the others. Therefore, it is for the common interest of all Europe that Germany should recover her health. And Rathenau concluded that the world will resume its normal state only when the powers of the Entente, becoming conscious of this law of economic solidarity, consent to a revision of the agreement of London and give up imposing on Germany burdens manifestly beyond her power of endurance.

Between the two extreme theories, there is, of course, room for a host of intermediate solutions whose authors strive to disentangle the part of truth which each of the contradictory legends may contain. One can believe in the inherent wealth of Germany, and yet admit that her present poverty is not a mere comedy but indeed a painful reality. One can have doubts as to the authenticity of the Machiavellian German plot regarding the crash of the mark and yet wonder whether the Germans, too, have not a large share of responsibility for the present situation. One can refrain from denouncing the German financial crisis

as a fraudulent bankruptcy and the fall of the mark as a gigantic swindle, yet continue to believe that the "good will" to make reparation—so often asserted by the German leaders—has proved in many respects singularly cool, inefficient and problematic and that it too often looks like ill will in disguise. Numbers of Germans unhesitatingly denounce the insufficiencies, errors and blunders of the economic or financial policy of their rulers. Such Germans have many times criticized the policy of systematic inflation and have denounced the sophistry of the statement that the recovery of German money would only serve to increase the demands of the Entente and to prove the possibility of Germany's making important annual payments for reparations. They, too, have complained of the placement of capital abroad, the eagerness of the magnates of enterprise to escape from financial duties, the timidity of the government in seizing gold values and its excessive solicitude for the great industries. Many a time, these Germans have acknowledged the possibility of drawing upon new resources from taxation or have protested against the delay of the administration in collecting the taxes already due. The Socialist press often denounced Stinnes' speculations on the fall of the mark. Naturally German opinion unanimously rejects the charge of deceit or fraud; it refuses to discuss the matter with those who assume that Germany voluntarily caused the present crisis; its consequences are being felt too painfully to admit for a moment that her leaders ever could have deliberately prepared such a catastrophe. But German opinion might not show the same obstinate opposition towards those who limited themselves to questioning the *absolute innocence* of the leaders. Have all those who hold German wealth *defended* the national money with the required energy? Have they not *tolerated* perhaps more than was reasonable, a fall which was profitable to them to a certain extent? Have they not sometimes lacked fiscal courage by trying to avoid taxation, financial courage by striving to postpone, through the protracted policy of inflation, the advent of the difficulties, instead of facing, by stopping inflation, a perhaps wholesome crisis? Instead of stating the absolute innocence of some and the entire guilt of others, one might try to establish a just proportion of responsibility, examine how far the present conflict is due either to the excessive demands of merciless creditors or to the dilatory moves of an impenitent bad debtor, and lastly try to discern the exact line on which a compromise can be established between the opposing positions and on which an agreement acceptable to the debtor and to the creditors can be concluded.

According as we incline more towards one or the other theory, it is clear that we shall also propose different means for putting an end to the present crisis.

Those who hold it to be an established fact that Germany *can* but *will not* pay, that the obstacle to the settling of the reparations lies, not in the ruin of Germany, but only in a stubborn resistance and revolt, are logically led to commend an attitude in which the firm will of the victor is imposed to bring about the execution of the Treaty. The strength of the Germans, they say, is based solely on the disagreement of the Allies or the wavering will of France. If we are really

determined to break the resistance we encounter, it will give way. To make Germany pay, we have a number of forcible means, we can take sanctions, or demand guarantees. We can occupy the Ruhr or surround it and levy a tax on all products that come out of it. We can occupy the territories of the Rhine "en profondeur," in the words of Marshall Foch, raise taxes, work the forests and railways and control the industries. We can lay hold of productive guarantees such as mines, forests and the proceeds of German customs or state monopolies. We can rigorously practise the levying of 26 per cent of the value of German exports. We can impose a financial control on the Reich and compel it to make fiscal reforms. We must not be deterred by the objections that such operations are expensive and uncertain, for their effect lies less in the sums which they may produce in reparations than in the effect they would have upon the stubborn debtor. When they have acquired the *certainly* that we will carry out our determination and suit our actions to our words, the Germans will pay because they *can* pay and because it will be more profitable to them to comply than to lay themselves open to rigorous measures which would be ruinous for them.

Among the extremists on the German side we find a similar attitude, only in the opposite direction. According to them Germany can not pay. Therefore she must not pretend to be able or willing to do so. She must have the courage to state the truth and to proclaim clearly her irretrievable bankruptcy and her incapacity to carrying out the terms of a treaty "impossible to execute." She must openly demand its revision and wait firmly and composedly for the reprisals with which she is threatened. The strength of the French is based only on the weak attitude of the wavering, the cowardly and the adherents of a "policy of execution." Face the French with the real situation, a definite *non possumus*: compel them to put their threats into execution and then they will either of their own accord shrink from the responsibility of delivering Germany over to ruin and anarchy and will abandon measures from which they can draw no positive profit, or they will be stopped by their own allies who will prevent them from achieving the ruin of Europe by yielding to their destructive folly. Even at the worst they will cause a crisis the issue of which can not be foreseen but the result of which may perhaps be Germany's recovery.

For those who steer a middle course between the two extremes the problem is essentially a question for deep consideration. The German capacity must be determined, and from this must be deduced what payments can and must be made. A correct course of action must be found between determined obstinacy which demands the impossible and cowardice which consents to any sacrifice through fear of a struggle. There is to be solved on a large scale the difficulty which arises in the business world whenever bankruptcy occurs. There must be found a formula of agreement which will allow the debtor to survive without frustrating the creditors. Assuredly the bankruptcy of a state of sixty millions of inhabitants is of very much greater importance than that of a mere business firm, and it will test severely the competence, the ability and the psychological knowl-

edge of the trustees commissioned to settle it. But it can not be averred *a priori* that the conclusion of a transaction of this kind exceeds human ability.

When the question is regarded in this way, the main thing seems not so much to be to enact efficient measures of *compulsion* and to break the resistance of the debtor as to try to establish as profitable a *cooperation* as possible between debtor and creditor, enabling the debtor gradually to pay his obligations and at the same time to permit him to begin the work of economic recovery. This is an idea very common in Germany in all circles, even in the parties of the Right, and especially among business men. Numerous politicians, practical men or theorists, such as Georg Bernhard, Arnold Rechberg, Hirsch, Stinnes, Rathenau and many others, have proposed various systems by which they attempt to organize a Franco-German cooperation or an international consortium in which the French and Germans would take part. On the French side similar solutions are contemplated: one is to attempt to solve the problem of the reparations either by means of a levy on German capital (Paul Reynaud) or by securing for France a participation in German affairs (Noblemaire, de Peyerimhoff, de Jouvenel) thus connecting French prosperity with the nascent prosperity of the German people. It does not seem that there should be any serious divergence between French and German methods; on the contrary, there is every reason to think that, once this course was resolutely entered upon, and the various schemes proposed on both sides studied in a spirit of conciliation and justice, the desired agreement could be realized easily enough.

Already it seems that Franco-German cooperation for the reparation of the devastated districts is on the point of becoming a reality. Prepared by the agreement at Wiesbaden between Rathenau and Loucheur and by the Bemelmans covenant, it has been practically organized by the agreement concluded at Heimbürg between Stinnes and the Marquis de Lubersac (September 5, 1922) and by similar agreements subsequently made with several other German organizations: the Lehrer von Siemens Company, the Sichel group, a Bavarian syndicate and a Wurtemberg syndicate. This bold initiative of private industry has, on the whole, been favorably received in Germany. German opinion was somewhat disconcerted at first that this agreement had been signed by Stinnes who had so obstinately criticized the agreement at Wiesbaden and all the policy of execution of Wirth, who was regarded as bitterly anti-French and who embodied in the eyes of the Socialists the capitalist spirit under its most dangerous form. Nevertheless, German opinion hailed such an agreement with satisfaction, since it not only afforded work for German laborers and evident advantages for industry but would also have most important political consequences. "If the Germans and the French," the *Frankfurter Zeitung* said, "get accustomed to cooperating on an equal footing, and if they find profit and learn to know one another better in loyal commercial intercourse, such cooperation ought also to relieve the political tension. The question of reconstruction being thus settled according to commercial methods France will perhaps become accustomed to treat in a business-

like spirit the whole problem of the reparations." Only a few journals of the Right remained sceptical as to the political import of the conciliation and deemed that, in spite of economic agreements, nothing would be altered in Franco-German relations. Doubtless, it was rather late to make an arrangement which would have had beneficial effects some time earlier; indeed the fall of the mark makes it rather problematic as to whether Germany may be able to make any large payments in kind. It is to be hoped, nevertheless, that the prophets of discord will not have the last word and that the important step which has been taken on the road to conciliation will not remain an inefficient attempt, but will gradually bring the continent nearer the real peace to which it aspires.

CHAPTER V

THE PRESENT CRISIS

The world has just emerged from a cataclysm, unprecedented in history, which has entailed terrific human sacrifices and overturned the conditions of existence all over the world. Material civilization was based on a highly complicated system of trade which had created between all the peoples of the world a complex and delicate network of economic interdependence. This system has been seriously damaged and the result has been a general perturbation, which affects all peoples indiscriminately, victors and vanquished alike, belligerents and neutrals, those who have suffered ravages and those who have been spared, those who have heaped up in their coffers all the gold in the world as well as those whose money is completely depreciated. The world still goes on producing what is necessary for its subsistence but the mechanism of the system of exchanges is out of gear; a lack of balance has occurred between supply and demand, production and consumption. Hence a state of universal crisis entailing inordinate production with some, unemployment with others; here an immense quantity of goods that can not be sold, there an extreme lack of the most indispensable articles. Such a state can only cease through general readaptation and the economic reconstruction of the whole world through a collective effort of consolidation which can only be made with the cooperation of all. The realization of the task to be performed and of the effective solidarity which holds the different nations together is spreading more and more; everyone distinctly feels the peril which threatens the whole of civilization if some arrangement is not made to restore the equilibrium; everyone understands what colossal folly it would be to perpetuate the present chaos. But the difficulty of assigning to each one his task and of determining what sacrifices he is to make for the recovery of all is such that one still wonders whether the matter can be solved without violent upheavals.

And lo, on every side, prophets arise foretelling another imminent universal crisis. "Are many men" asks Count Keyserling, for instance, "aware that this is not the end of the World War, but that, if we have left behind the first stage of it, it is doubtful if we have yet reached the middle period?" And he anxiously points out that an irresistible tendency, in such critical periods, urges mankind to abdicate in favor of blind fate as the Greeks understood it and to submit without resistance or will to the inherent logic of previous decisions, following to the end the ways already entered into, so that human history almost appears as a fatal process of evolution with periodical revolutions like those of the celestial bodies. He observes that a new storm looms on the horizon, perhaps less violent and less universal than the late War, but more to be feared on account of the con-

sequences it will entail. He notes that the general exhaustion can not reassure us, for it is just the exhausted peoples who are, as the example of the Russians shows, capable of almost superhuman efforts. He foretells that, as in 1914, we are going to behold, among people whose general disposition is thoroughly pacifist, a new rush of heroism based on despair. Woe to the leaders of Europe, if, when faced by the threatening symptoms which are multiplying, they merely yield passively to universal fatalism and draw mechanical conclusions from given premises; they will lead the world to a new cataclysm the issue of which can not be foreseen. We do not pretend by any means that the pessimist prophets are right, and we *will* not permit them to be right in any case. But I do not think I exaggerate when I say that at present, at least now and then, there is in each thinking European a pessimist augur who sees that new catastrophes are imminent and who wonders what is to be done to avoid them.

Without considering the whole universal crisis, let us sum up the essential aspects of the present crisis of the Franco-German relations and define its underlying causes.

First, is Germany absolutely incapable of adapting herself to the conditions of existence resulting from her defeat? Has she been ruined to such an extent by the War, by her losses and by the payments in kind she has made that her very existence is threatened and that it is to be feared that she can no longer rise above the crisis with which she is struggling and regain her strength? No one believes this, the Germans least of all. Doubtless Germany has suffered. Her wealth and income have decreased in considerable proportions; she has suffered painful losses; her middle class, ruined by the depreciation of the mark and the rise in prices, have lost nearly all they possessed and are undergoing extreme privations; the workmen, in many places, are in straitened circumstances and their standard of living is lowered. These are veritable existing evils the authenticity of which we should be wrong to doubt and which it would be inhuman to ignore. Germany loudly proclaims her misery. This should not surprise us and we must acknowledge that she has good reason for it. But the pessimism with which she regards her present situation in no way prevents her faith in the future. And such confidence is justified. She feels that the crisis she is undergoing does not attack the vital springs of life; at bottom she is sure she will be healed, recover and one day resume her productivity. She is aware that her vitality, her determination for power, her hereditary and acquired aptitudes and her industrial equipment are still intact. She is convinced that the depression she is now undergoing is transient. Nay: she is convinced that a glorious "mission" is in store for her in the future evolution of the world. Germany is by no means *decadent*; her life's course, everybody acknowledges, may have undergone a momentary check, but on the whole it is ascending, not descending. The total and final crash of Germany is a contingency which no one seriously anticipates and which can not threaten the balance of the world, whatever upheavals Germany may experience in the coming months.

Is the cause of the crisis to be looked for either in the amount of the reparations demanded from Germany or in the question of the means contemplated for the payments. This does not seem probable. Whatever may be said, the Allies have not shown and do not show any unrelenting determination in the fixing of the sum owed by Germany. Indeed, they have already brought down their original demands considerably and the amount of 132 billion gold marks stipulated in the agreement of London is not irreducible. In any case it is a fact that an arrangement has been and is being discussed, which, owing to the combination of the settlement of the mutual debts of the Allies with the settlement of the reparations, should considerably reduce the indemnity demanded from Germany. It is not the *ascertained* and *acknowledged* impossibility for Germany to pay a *given* amount of reparations which would entail serious complications. The Allies always admitted that their demands would have to be proportionate to the capacity of Germany for payment. The technical problem of the methods adopted for reparations—payment in gold or foreign money, payments in kind, an international loan guaranteed by certain sources of income or capital wealth in Germany, the participation of the Allies in the industrial and agricultural profits of Germany—is certainly difficult to solve and will still rouse many discussions. But if German bankruptcy is discussed objectively and composedly, if it is a mere financial and economic question, in the end a formula of compromise will be found; for in such a case, it is to the common interest of both creditor and debtor to put an end to the discussion by a compromise rather than to resort to extreme measures, ruinous for both parties.

Is the critical point to be found in the mutual hostile feelings of both nations? That is certainly an important element of the situation. The enmity which has long existed between the French and the Germans and which has lately been embittered on both sides, particularly among the Germans, is a danger not to be underestimated. Bursts of anger are evidently possible; it is absolutely clear that mutual antipathy envenoms all the difficulties arising between the two nations. I must say, however, that I do not believe an outburst of hatred would precipitate a crisis between the two peoples. Doubtless there are violent and fanatical individuals on both sides. There are Germans who eagerly look for the time when they can "square France's account" and "bleed her to death"; there are also Frenchmen who think, according to the well-known phrase, largely made use of against us by the German propaganda, that "there are twenty millions too many Germans." But I am convinced that all calm observers must own that, on both sides, the fanatics are a minority. The feelings of the great majority are infinitely more temperate. With us at any rate, the time for vehement anger is gone. Those who hold it a danger that the resentment born of the War should cool are constantly regretting that the Frenchman does not know how to hate and that he is too quickly forgetful of wrongs done him. They are not mistaken; the masses, with us, have as a rule no hatred, hardly a vague ill will. Nationalist declarations still rouse praise and applause. But preaching holy war against

the hereditary enemy would have no effective success. All are tired of barren agitation and fine talk; all are longing for peace and the time when they can resume their daily work under normal conditions. The memories of the horrible realities of the War are too vivid still for any warlike spirit to exist. Anger can no longer influence the masses to take up arms. And I can not believe that it can be otherwise in Germany. It may be that, as has often been observed, the Germans are more capable of lasting rancor and strong hatred than the French. Without doubt also at the present time there is in certain districts a keen anti-French agitation. But I doubt if, for a long time, the Germans could be led to war "joyful and free" against us. They might obey a leader who would stir up the struggle, for they are still submissive, but they would fight in despair and not with a glad impulse of hatred. No one any longer contemplates with joy the prospect of the French and Germans cutting each other's throats.

I am inclined to think that mutual misunderstanding is an even more serious danger than the rancor of people against people. Now it is a fact that the French and Germans do not understand each other. On the question of the reparations in particular the misunderstanding is complete. The Germans see, in the insistence with which we claim our due, only vulgar cupidity, inhuman ambition, inordinate blindness and unintelligent hatred. They have no comprehension of the rebellion and bitterness we feel when we are faced by the denial of justice which the gradual breaking down of the Treaty of Versailles represents for us, after the sacrifices performed by France for the common cause of the Allies. In their turn, the French see only dishonesty and cynical lying in the revolt of the Germans against the stipulations of Versailles. They do not understand the rather complex psychological evolution which has taken place in the Germans and which Count Keyserling analyzes as follows:

For the German moral conscience, it is incomprehensible that a *moral* fault like that imputed to Germany by the Allies should be made good and effaced by unlimited *material* surrendered by Germany to the Allies. The Germans were quite prepared to repair as far as they could the material damages consequent to the War; but the logic of the Allies since Versailles has had the fatal result of causing a steady decrease of Germany's willingness to recognize the justice of the point of view of the Entente. This has taken place to such a degree that soon there will not be found one German who will consent to discuss the French theory. In 1919 and 1920 a strong majority was still inclined to recognize it; since the London agreement, there are but a few isolated people who are disposed to do so.

We charge the Germans with a lack of psychology and perhaps we are not wholly wrong. But we, too, hardly understand their state of mind and hence interpret with excessive severity statements the real meaning of which escapes us.

And this brings us to the fact which, more than any other, weighs on the Franco-German relations: that is the deep distrust felt by the peoples towards each other. It is the result of grievances accumulated on both sides for years or even centuries. It arises from the mutual misunderstanding just mentioned.

It is deepened by a certain matter-of-fact pessimism which has made considerable progress of late and inclines us instinctively to give the preference to unfavorable interpretations of human actions. The distrust between the French and the Germans was already deep before the World War. As the predictions of the pessimists have been justified by the event, one can easily understand why the distrust should have become keener still and more implacable. The case presented by the Germans, after the downfall of the former régime, to explain their attitude has encountered here the most determined incredulity. We have admitted neither the reality of their sufferings, nor their impotence to pay off their obligations, nor the sincerity of their condemnation of imperialism nor their good faith in the endless discussions caused by the interpretation of the Peace Treaty. We have based upon the extremely vehement German press polemics the most malevolent representation of all German parties; we have judged the Right party by the Republican press, the Majority Socialists by the attacks of the Populists and Independents, the extremists of the Left by the criticisms of the moderates. Our pessimism inclines us to regard the most violent extremists of the Right—among whom we number our most confirmed enemies—as particularly representative of the German frame of mind and to detect unconscious or hidden Pan-Germanism in all the Germans. We are prompt to suspect stupidity or even evasiveness in those of us who do not thoroughly subscribe to this prejudicial psychology and are loath to accept as a dogma the ill will and lack of faith of *all* the Germans. On the German side the same pessimism appears as regards the French. We are inquisitors who revel in the sight of German suffering, vindictive and blundering oppressors, vain militarists naïvely convinced that we have the monopoly of glory in arms, impenitent imperialists who pretend to give the law to Europe and dream of keeping Germany in thralldom, braggarts who, justly distrusting our own strength, are frightened at the thought of the rancor of ill-treated Germany and tremble at the idea of the German giant one day recovering his strength and shaking off his chains. An average German is very far from understanding how important to a Frenchman is his recognition of his right, his will to obtain justice, his resolve to resist to the end the injustice which threatens him. Thus, through the baneful effect of these pessimistic views, the relations are more and more strained between the two nations. Each suspects the other of absolute ill will and contemplates the worst extremities. "Let us beware," the French think, "for Germany is determined first to defraud us of our due, and then to descend upon us at the first opportunity." "Let us defend ourselves," the Germans think, "for the French, who hate and fear us, will ever try to thwart our recovery and may at any moment attempt to profit by their momentary supremacy to do us an ill turn."

The method of diplomatic bargaining, which we see continually practised in international relations, makes the danger greater. In order to gain an advantage in some negotiation, it is customary to resort to bluff, to use methods of blackmail to strive to intimidate the adversary by threats and to conceal from him one'

real intentions. The danger of such methods is evident. The nearer a bluff is carried to the danger point of causing a cataclysm the more effective will it be. Now if at the decisive moment it happens that *both* parties believe they can not draw back, or if each privately suspects that if he goes a little farther the other will retreat before him, the catastrophe occurs—a catastrophe which may well have been the purpose of neither. Hence we see how the constant eagerness to overreach each other increases the mutual pessimistic distrust of the peoples and the feeling of insecurity which pervades all our contemporaries.

And thus, finally, there may be developed in the soul of the masses the only feeling strong enough at present to urge them to slaughter—despair. The time for diplomatic wars and wars of conquest is past. It is more and more difficult for a government to give the signal for combat if not urged by an irresistible current of opinion. To persuade the masses to take up arms, after the terrible experience of the World War, the most efficient motive and probably the only efficient one now, is despair. Let pessimistic realism develop and distrust increase, and we gradually approach the point where an outburst is again possible. The determination for war can be awakened by persuading the Germans that the French desire their ruin and that, if they yield to French demands, it means ruin, unemployment, famine, the forced deportation of workmen and general misery. It awakens in the French—if they are persuaded that the Germans bear them systematic ill will and bad faith, that at bottom they are determined to rebel, that they are awaiting the favorable moment to jump at their throats and that the French are lost if they do not remain mobilized physically and morally to face such an event—the feeling that the safest procedure is to be the first in the field and to forestall the intended blow. Of course every increase of pessimism in one people is echoed in the other. The more we see the flood of hatred rising against us in Germany, the campaign against the policy of Treaty fulfilment growing more intense and the influence of the nationalist reaction increasing, the more there develops in us the suspicion that the danger is crystallizing and that the time is near when recourse must be had to force. But the more clearly the French distrust is manifested in words and actions, the more German opinion is confirmed in its prejudices and rancor against us and the more it trusts in uncompromising nationalism. It is the endless circle in which we were caught in 1914 and which so efficiently contributed to make the crisis inevitable. In such a situation, let one side or the other lose its presence of mind and suddenly an incautious move may be made which brings about a wild, desperate, merciless uprising.

Those who are loath to believe in the inevitableness of war, or deem that in any case it is a duty to struggle to the end in order to escape from such a curse, will probably think that nothing should be neglected which might furnish escape from this terrible calamity and that every effort should be made to build a bridge across this gulf of fears and hatreds which threatens to become ever deeper between the two nations. It may be possible, without yielding too much to the spirit of humanitarian idealism and without failing to make use of every reasonable

precaution, to endeavor to create at least an atmosphere somewhat less unfavorable to the conclusion of practical agreements by proceeding to what might be called intellectual demobilization.

Among the deepest causes of the state of crisis in which we are living, is, I think, the fact that the peoples, even the élite, have almost completely ceased to understand each other. The whole spiritual life of humanity is based on the hypothesis that similar intelligence is manifested in all men and that well-conducted thought must finally lead to the establishment of simple truth imposed with certainty on all minds. This fundamental belief is now shaken. Each nation has made out for its own use a system of ideas and interpretations which it holds to be true; but these ideas radically differ in each nation. There is a French "truth" and a German "truth" which contradict each other and which assert on their respective sides opposing convictions. As the problems on which human minds diverge are formidably complex and far reaching—the question of responsibility for instance, or that of the peril to continental Europe, or that of German solvency—and as very few people are able to master them so as to support their opinions on a really scientific basis, affirmations encounter affirmations and beliefs are set against beliefs with the impossibility of finding a means of arbitration between those opposed convictions. Such intellectual differences are as old as the world and to be observed at all times, but they have now acquired a particular bitterness. Each one remains inaccessible to the arguments of the adverse party so that the debate is protracted and more and more envenomed.

This disposition is made still worse by the fact that, because of the habits acquired during the War, the very idea of intellectual sincerity has become problematic and vague. Everyone knows, to use Nietzsche's and Rathenau's phrases, that intelligence is not only an organ for the disinterested seeking of truth, but also and above all an instrument, a weapon at the service of the will. Now it is clear that during the War the combative element of intelligence has been functioning almost alone. Intelligences were mobilized as well as armies. Formidable organizations of propaganda were constituted to make use of these intelligencies in the most efficient way. A huge literature for war purposes was developed, the avowed aim of which was to support with most specious arguments the theses favorable to this or that faction and to ruin those of the adversary, or to foster in public opinion confidence and resolution, or to throw confusion into the minds of the enemy's camp. The search for objective truth, impartial and complete, was postponed to better days; the censorship, moreover, used all its vigilance to prevent untimely truths from being brought to light, to restrain the outbursts of the undisciplined and to neutralize the effects of the enemy's propaganda. The result has been to make fanatics of some and to develop in others scepticism or exasperation against "the brain-crammers" (*les bourreurs de crâne*). At the end of the War the censorship disappeared. But it is clear that in the present intermediate state between war and peace the demobilization of minds has not been simultaneous with that of the armies and that to this day it is the litera-

ture of struggle and propaganda which fills papers, reviews and books. The combative function of thought still prevails evidently and overwhelmingly over ideality. To this day it is clear that the majority of human intelligences endeavor much less to be the reflection of what really is than to draw the greatest possible profit from a given situation for a given nation, and that they strive to create useful illusions to the advantage of a certain group rather than to seek the one and universal truth. Everyone feels this more or less dimly. Hence the deep instinctive distrust with which so many people now receive any theories or any political discussions. For these sceptics everything that is being written is but advertisement, quack's humbug or biased pleading and must be viewed with incredulity by those who are not to be the willing or the unconscious dupes of a selfish and specious verbiage. To react against this scepticism, which, if carried to its logical conclusion, casts doubt upon the very existence of human truth and results in weaving round each nation a web of protective useful legends, is, I believe, the essential task of those who refuse to despair of the renascence of an international spiritual life. The ideal of the "good European" has, it can not be denied, weakened perceptibly since the War and now more than ever rouses the irony of realists and the distrust of uncompromising nationalists. The work of reconciling the peoples in which hatred of each other was bred by the universal tragedy will be long and slow. But it must be attempted. In order to have any chance of success in bringing about a mutual understanding an appeal must, I think, first and above all be made to clarify thought. The Germans and the French have done so much harm to one another for the last fifty years and so much blood has been shed between the two nations that an appeal in favor of a "sentimental" reconciliation would run a great risk of appearing to many as untimely, even perhaps as profane. It is, however, possible to resume intellectual contact at once, to compare opinions lucidly and courteously, to agree upon a statement of facts, to discuss sincerely and patiently interpretations still very divergent but which a frank exchange of opinion must little by little help to bring nearer together. Such is the work which can be begun at once and from which useful results can be expected.

It has already begun. In international congresses, in commissions of experts and in private conversation between individuals fruitful discussion is gradually being resumed. It is necessary that these conversations should go on and develop. We are convinced that there are, not only in France but also in Germany, considerate people with a sense of justice and an intuition as to what is practicable. They must look for and find one another, test one another, exchange ideas and agree on certain questions and facts. Only free discussion on scientific lines replacing sophistical pleading, bluff and intimidation can result in practicable compromises. In this way only can be avoided the universal crisis, the threatening rise of which justly alarms all intelligent people.

We must first be clear sighted. We must then understand that an excess of distrust is as dangerous as an excess of confidence and that pessimistic realism may be no less harmful than illusionary optimism.

It is certainly perilous to count too much on man's reason and *natural* goodness. The terrible object lessons of the recent past speak too eloquently to allow us to abandon ourselves freely to the humanitarian or rationalistic faith of the preceding generations. With irrefutable arguments war had been proved to be such an enormous stupidity that it was henceforth impossible; the argument was true but the War broke out, nevertheless, and resulted in a cataclysm the effects of which are felt by the victors as well as the vanquished; therefore nothing is more dangerous than the delusion of utopian dreams and the vision of men as they should be, not as they are.

I can hardly believe, however, that our contemporaries would be very much inclined to err through an excess of credulity and optimism. The experience of the last few years has developed a mutual ill will which has grown to formidable proportion in political and social struggles as well as in national conflicts. Everyone instinctively reasons as if the law of the jungle ruled supreme between nations. They believe only in thorough political realism. The worst interpretations are those which *a priori* appear to be the most plausible. Faith in pacifist idealism and international justice never was very strong; but it seems that incredulity is now more rampant than ever. It is sometimes veiled with hypocrisy, for cynicism is regarded unfavorably and it is thought to be perhaps more profitable to make an outward show of virtue. But under conventional appearances many, who are disillusioned or resigned, carry the bitter conviction of the thorough immorality of all political life. Now this pessimistic realism may be no less harmful than the most chimerical optimism. He who holds that the hatreds between peoples and that great international wars are certain and unchangeable facts, who sees everywhere nothing but wickedness, deceit or ferocity and who constantly suspects in his adversaries a state of mind which makes catastrophes inevitable, contributes forcibly toward the fostering of the present insecurity. His pessimism arouses pessimism. Finally despair rises on every side and the conditions are set for the explosion of a new war.

I have tried to describe in all frankness the present Franco-German situation without concealing its dangers and I believe also without exaggerating its perils. It is too much to hope that a happy chance, a brilliant improvisation or a successful compromise will bring about a solution which will settle everything. Our best chance is to make a determined effort to look the facts in the face, to reach an understanding as accurate and an appreciation as delicate as possible of the situation and thus find the formula for a reasonable agreement. In a word, we must in all sincerity seek *truth* and *moderation*. Shall we be met in the same spirit? That does not depend upon ourselves. What depends on us, is to make an effort *on our own side*. This effort must inevitably be made whatever happens. Then and then only shall we be able to march with a confident step and a clear conscience towards the future—whether reconstructive or tragic—which is awaiting us.

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